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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

ENVIRONMENT FUND: FINANCIAL REPORT AND AUDITED ACCOUNTS FOR THE BIENNIUM 1990-1991 ENDED 31 DECEMBER 1991

Note by the Executive Director

Summary

The present note refers to the report of the Board of Auditors on the financial report and audited financial statements of the Environment Fund for the biennium 1990-1991, ended 31 December 1991; to the observations of the Advisory Committee on Administrative and Budgetary Questions; and to the action taken by the General Assembly in connection therewith. The Executive Director's comments on the financial report were sent to the Board of Auditors and these have been reflected by them in the appropriate places in their report. The Executive Director's comments on the Advisory Committee's observations are set out below, in paragraph 5 of the present note.

Suggested action by the Governing Council

The Governing Council may wish to take note of the comments of the Executive Director on the report of the Board of Auditors on the financial report and audited financial statements of the Environment Fund for the biennium 1990-1991, ended 31 December 1991 and on the observations of the Advisory Committee on Administrative and Budgetary Questions.

ENVIRONMENT FUND: FINANCIAL REPORT AND AUDITED ACCOUNTS FOR THE BIENNIUM 1990-1991, ENDED 31 DECEMBER 1991

1. Pursuant to regulation 11.4 of the Financial Regulations of the United Nations, General Assembly resolution 3192 (XXVIII) of 18 December 1973, and rule 213.3 of the Financial Rules of the United Nations Environment Programme, the Executive Director on 31 March 1992 transmitted the financial report and financial statements for the biennium 1990-1991 ended 31 December 1991 to the Chairman of the Board of Auditors, with copies to the Advisory Committee on Administrative and Budgetary Questions (ACABQ).

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

2. The financial report and financial statements were subsequently examined by the Board of Auditors. Together with the audit opinion and report of the Board of Auditors, they were then submitted to the General Assembly at its forty-seventh session.[1] The General Assembly also had before it the report of the ACABQ,[2] which contained observations and comments on the financial reports and audited accounts of all United Nations organizations. As regards UNEP, the ACABQ noted that most of the recommendations of the Board of Auditors had been implemented by the administration. The Board had indicated in its report that UNEP had implemented the Board's recommendation, but that delays in the submission of travel claims and untimely liquidation of travel advances by experts, consultants and participants in meetings persisted. The ACABQ also noted that UNEP intended to review the present composition of technical cooperation trust funds and submit specific proposals to its Governing Council, suggesting a merger of some of the trust funds with a view to ensuring a further improvement in their management. ACABQ expects that the proposals will be submitted to it at the same time for its consideration.

3. The ACABQ also endorsed the recommendation of the Board of Auditors that a list of all non-expendable property of UNEP, including inventory holdings in regional offices, should be compiled and reflected in a master inventory listing.

4. Following its consideration of the financial reports and audited accounts of all United Nations organizations, the General Assembly adopted resolution 47/211 in which it accepted the financial reports and audited financial statements and audit opinions of the Board of Auditors, and approved the comments and observations of the Board of Auditors and the Advisory Committee, as contained in their respective reports.

5. The Executive Director has taken note of the comments and recommendations of the Board of Auditors, in so far as they apply to UNEP, and agrees with them. In connection with the ACABQ's comments on the financial report and financial statements of the Environment Fund, the Executive Director has taken action as follows:

(a) The present composition of technical cooperation trust funds has been reviewed with a view to merging some of them to ensure further improvement in their management and specific proposals have been formulated for submission to the Governing Council;

(b) Non-expendable property held in regional and outposted offices has now been reflected in a master inventory, with two exceptions that are still being followed up.

Notes

1/ Official Records of the General Assembly, Forty-seventh session, Supplement No. 5F (A/47/5/Add.6).

2/ A/47/500, 7 October 1992.

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ITEM 7:* PROGRAMME MATTERS INCLUDING THE IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION 1991-1992

Report of the Executive Director

Summary

The General Assembly, in its resolutions 35/73 of 5 December 1980 and 39/168 B of 17 December 1981, requested the Governing Council to report, through the Economic and Social Council (ECOSOC), on the implementation of the Plan of Action to Combat Desertification (PACD). In the present document, the Executive Director recounts the progress achieved in the implementation of the PACD, including in the Sudano-Sahelian region, since the sixteenth session of the Council. The report notes the discontinuation of financing mechanisms of PACD - the Special Account and the Consultative Group on Desertification (DESCON) - and the evolution of new financing mechanisms, such as the Global Environment Facility (GEF).

The report also outlines the role and involvement of UNEP, other United Nations bodies and mechanisms of the PACD (i.e. the Inter-agency Working Group on Desertification (IAWGD) and the "new" DESCON) in the preparatory process of the United Nations Conference on Environment and Development (UNCED).

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC/.17/1).

Suggested action by the Governing Council

The Governing Council may wish to adopt a decision along the following lines:

A. IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

The Governing Council,

Recalling General Assembly resolutions 32/169 and 32/172 of 19 December 1977, 33/89 of 15 December 1978, 34/184 of 18 December 1979, 35/73 of 5 December 1980, 37/147 of 17 December 1982, 37/218 of 20 December 1982, 38/160 of 9 December 1983, 39/168 A of 17 December 1984, 40/198 A of 17 December 1985, S-13/2 of 1 June 1986, 42/189 A of 11 December 1987, 44/172 of 19 December 1989, 45/212 of 21 December 1990, 46/161 of 19 December 1991, and 47/188, 47/190 and 47/191 of 22 December 1992,

Recalling also its decisions 9/22 A and B of 26 May 1981, section VII of its decision 10/14 of 31 May 1982, section VII of its decision 11/7 of 24 May 1983, and its decisions 12/10 of 28 May 1984, 14/15 A of 18 June 1987, 15/23 of 25 May 1989, 16/22 of 31 May 1991 and its decision SS. III/1 of 5 February 1992,

Considering the report of the Executive Director on the implementation in 1991-1992 of the Plan of Action to Combat Desertification (UNEP/GC.17/14),

Also considering those parts of the 1991 and 1992 reports of the Administrative Committee on Coordination dealing with the coordination and follow-up of the implementation of the Plan of Action to Combat Desertification,

Aware of Chapters 12 and 38, "Managing Fragile Ecosystems: Combating Desertification and Drought", and "International Institutional Arrangements", respectively, of the Agenda 21 adopted by the United Nations Conference on Environment and Development and endorsed by the General Assembly in its resolutions 47/190 and 47/191 of 22 December 1992,

Reaffirming its conviction that the Plan of Action to Combat Desertification still is an appropriate instrument to assist Governments in developing national programmes for arresting the process of desertification, and that it has contributed essential elements to Chapter 12 of Agenda 21 of the United Nations Conference on Environment and Development,

1. *Takes note* of the report of the Executive Director on the implementation of the Plan of Action to Combat Desertification in 1991 and 1992, and of the compatibility of the action taken with the recommendations of Chapter 12;

2. *Authorizes* the Executive Director to submit the report, on behalf of the Governing Council, through the Economic and Social Council, to the General Assembly at its forty-eighth session;

3. *Encourages* the ongoing efforts by the United Nations Environment Programme to define appropriate methodologies for monitoring and assessment of desertification and to carry out mapping of thematic indicators of desertification;

4. Encourages the ongoing efforts by the United Nations Environment Programme to assign benchmarks and progress indicators for desertification control, along with other indicators of global changes within the system-wide Earthwatch programme;

5. Encourages also the ongoing efforts by the United Nations Environment Programme to compile and disseminate and catalyse the further development of successful desertification control project designs and implementation methodologies, including model land-use and socio-economic development programmes for marginal drylands and use of food aid in drought relief and refugee rehabilitation programmes;

6. Requests the Executive Director to continue to promote international co-operation and to intensify and expand the United Nations Environment Programme's regional/subregional joint ventures for a coordinated Plan of Action to Combat Desertification (Agenda 21, chapter 12) implementation (especially in regional/national capacity building, training, research, methodology and technology development and dissemination, as well as in formulation and implementation of National Plans of Action to Combat Desertification) and to call upon the other agencies and organizations to reinforce their involvement in these coordinated cooperative efforts;

7. Requests the Executive Director to cooperate fully, within available resources and without detriment to existing programmes, in the preparations of the desertification convention by the International Negotiating Committee.

B. FINANCING AND OTHER MEASURES IN SUPPORT OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

The Governing Council,

Recalling General Assembly resolutions 34/134 of 14 December 1979, 35/73 of 5 December 1980, 37/220 of 20 December 1982, 43/196 of 20 December 1988, 44/172 A of 19 December 1989 and 45/181 of 20 December 1990,

Recalling also its decisions 13/30 A of 23 May 1985, 14/15 D of 29 June 1987, 15/33 B of 25 May 1989 and 16/22 B of 21 May 1991,

Considering the ending of the global financing mechanisms of the Plan of Action to Combat Desertification i.e. the Special Account and the Consultative Group on Desertification,

Encourages ongoing efforts by the executive heads of the United Nations Environment Programme, the United Nations Development Programme and the World Bank to include financing of certain elements of land degradation in the Global Environment Facility as they relate to the facility's major global environmental issues;

Requests the Executive Director to pursue further and intensify the United Nations Environment Programme interaction with the United Nations Development Programme and the World Bank on this issue;

Urges their international financing institutions and [illegible] to implement [illegible] to Combat Desertification and to participate in [illegible].

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C. IMPLEMENTATION IN THE SUDANO-SAHELIAN REGION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

The Governing Council,

Recalling General Assembly resolutions 32/172 of 19 December 1977, 33/88 of 15 December 1978, 34/187 of 18 December 1979, 35/72 of 5 December 1980, 36/190 of 17 December 1981, 37/216 of 20 December 1982, 38/164 of 19 December 1983, 39/168 B and 39/206 of 17 December 1984, 40/198 B of 17 December 1985, S-13/2 of 1 June 1986 and 42/189 B of 11 December 1987, 44/172 B of 19 December 1989 and 46/161 of 19 December 1991,

Recalling also its decisions 13/30 B of 23 May 1985, 14/15 B of 18 June 1987, 15/23 B of May 1989 and 16/22 C of 31 May 1991,

Considering the report of the Executive Director on the implementation of the Plan of Action to Combat Desertification in 1991-1992 and, in particular, the section on the implementation of the Plan of Action to Combat Desertification in the Sudano-Sahelian region,

1. *Takes note* of the steps the United Nations Sudano-Sahelian Office has taken, on behalf of the United Nations Environment Programme, to implement the Plan of Action to Combat Desertification in the 22 Sudano-Sahelian countries;

2. *Requests* the United Nations Sudano-Sahelian Office to continue its actions at the national and local level to assist Governments in the region in developing and implementing national Plans of Action to Combat Desertification and to coordinate its undertakings with other agencies involved in development and implementation of national strategies for sustainable development;

3. *Authorizes* the Executive Director to continue supporting the United Nations Sudano-Sahelian Office as a joint venture with the United Nations Development Programme, at least until the conclusions of the negotiations of the desertification convention become clear, and requests the Executive Director, in consultation with the Administrator of the United Nations Development Programme to amend the terms of reference (the Memorandum of Understanding) of the joint undertaking the United Nations Environment Programme and the United Nations Development Programme to allow the United Nations Sudano-Sahelian Office to deepen and to intensify its involvement in the desertification control efforts of its mandated countries and with its subregional interface organizations. Further, in response to Chapter 38 of Agenda 21, and subject to the outcome of the negotiations on the desertification convention, requests the United Nations Environment Programme and the United Nations Development Programme to consider strengthening their efforts to establish joint support mechanisms for the implementation of Chapter 12 of Agenda 21 in other regions/subregions affected by desertification, capitalizing on the United Nations Development Programme/United Nations Environment Programme/World Bank tripartite experience on the Global Environment Facility and fully coordinating their efforts with the United Nations regional commissions and other intergovernmental bodies on development and financing in the regions concerned;

4. *Invites* the United Nations Sudano-Sahelian Office to intensify its efforts to mobilize resources for continued assistance to its mandated countries combating desertification.

I. IMPLEMENTATION OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION 1991-1992

A. *Technical assistance to Governments*

1. *National Plans of Action to Combat Desertification*

1. The UNEP Governing Council, in its decision 16/22 A of 21 May 1991, requested the Executive Director to assist, within available financial resources, countries prone to desertification, at their request, in developing programmes for combating desertification within their development plans. As a consequence, UNEP continued to assist member Governments in developing their national plans of action to combat desertification (NPACDs). In a joint undertaking with the Economic and Social Commission for Western Asia (ESCWA) and the Food and Agriculture Organization of the United Nations (FAO), UNEP assisted the Governments of Bahrain, Oman, the United Arab Emirates and Yemen in the preparation of their NPACDs. Due to the Iraq/Kuwait conflict and the relocation of ESCWA, some of the activities had to be postponed from the original period of 1990-1991 to 1992-1993.

2. UNEP assistance to the Governments of Argentina, Mongolia and Peru on which the Executive Director reported to the Council at its sixteenth session (UNEP/GC.16/16), continued in 1991-1992. The first drafts of NPACDs have been developed for Peru, in cooperation with the National Office for Natural Resources Evaluation (ONERN), and for Argentina, in cooperation with the Instituto Argentino de Investigaciones de las Zonas Aridas (IADIZA). UNEP provided consultancy assistance to the Government of Mongolia to finalize the draft NPACD and three project documents for donors' consideration at the NPACD review workshop in 1993.

2. *Pilot projects under the African Ministerial Conference on Environment (AMCEN) - Cairo Programme for African Cooperation*

3. Throughout 1991-1992 UNEP, through its Desertification Control Programme Activity Centre (PAC), continued to provide assistance to the Governments of Mozambique and Zimbabwe for the formulation and initiation of pilot village projects. In Zimbabwe, the implementation of pilot projects is under way, with financing support from the Canadian International Development Agency (CIDA), and the United Nations Development Programme (UNDP). In Mozambique, the follow-up of the project was hampered by the political situation in the project area.

4. In support of the AMCEN pilot village programme UNEP, with the Institute of Environmental Science of Nanjing, China, in 1990 started the training of African villagers and technicians in ecological farming. In October 1992, a training workshop was organized in Nanjing for 20 French-speaking African farmers and technicians from 17 countries.

B. *Regional actions and networks*

5. The role of subregional organizations in the efficient implementation of the PACD has been underlined by the Administrative Committee on Coordination (ACC). Accordingly, UNEP provided assistance in 1991-1992 to subregional organizations such as the Southern African Development Coordination Conference (SADCC); the Conference of Arab Ministers Responsible for Environment (CAMRE); the African Deserts and Arid Lands Committee (ADALCO); the Desertification Control Research and Training Network for Asia and the Pacific (DESCONAP); and the Task Force of Sahelian Dryland NGOs (GONGSA).

Southern African Development Coordination Conference (SADCC)

6. In response to the SADCC request to the members of the IAWGD in 1989, UNEP provided consultancies and training to support SADCC's formulation of the Plan of Action for the Kalahari-Namib Region (Integrated land-use planning, rangeland monitoring, protection and rehabilitation). During 1991-1992, UNEP supported the Environment and Land Management Sector Coordination Unit of SADCC to provide assistance to the Kalahari-Namib countries for elaborating and developing projects under the Plan.

Conference of Arab Ministers Responsible for Environment (CAMRE)

7. Through its Arab League Liaison Office in Cairo, UNEP has been assisting the Secretariat of CAMRE in initiating its priority environmental programmes, which include desertification control. CAMRE, in collaboration with UNEP and the Arab League Educational, Cultural and Scientific Organization (ALECSO), organized a subregional workshop for decision makers on the experiences and future orientations of the Green Belt Project of North Africa (GBPNA).

African Deserts and Arid Lands Committee (ADALCO)/African Ministerial Conference on the Environment (AMCEN)

8. UNEP's Desertification Control PAC continued to serve as the secretariat for the African Deserts and Arid Lands Committee (ADALCO) of AMCEN and serviced the fifth ADALCO meeting held in Harare in 1991. UNEP also assisted ADALCO through the provision of consultancies to carry out two subregional studies: strengthening of the Green Belt Project of North Africa; and development of the nubian sandstone aquifer.

Desertification Control Research and Training Network for Asia and the Pacific (DESCONAP)

9. The regional network of research and training centres on desertification control in Asia and the Pacific that makes up DESCONAP was established by the Economic and Social Commission for Asia and the Pacific (ESCAP) in 1988, with financial support from UNDP and UNEP. The objective was to strengthen technical cooperation among the research and training institutions in the region by combating desertification through the development of appropriate expertise at the policy and programme-management levels and through the identification of investment projects. Eighteen Governments of the region (Afghanistan, Australia, Bangladesh, China, India, Indonesia, Iran, Japan, Mongolia, Nepal, Pakistan, Philippines, Thailand, Viet Nam and four CIS countries), three United Nations Organizations (UNDP), the United Nations Educational, Scientific and Cultural Organization (UNESCO), and the World Meteorological Organization (WMO), the South Asia Cooperative Environment Programme (SACEP) and a number of NGOs, including the International Council of Women (ICW) have joined the network and designated their official focal points.

10. Considering the extent of the problem of desertification and its impact on the land resources and population of the region, UNDP and UNEP have given high priority to DESCONAP.

11. The third Regional Consultative Meeting and Tripartite Review Meeting of the DESCONAP project was held in Thailand in February 1992, to consider its second phase and the 1992-1993 activities of its Action Plan on Desertification Control in Asia and the Pacific to the Year 2000.

12. During the period under review, the emphasis of the work programme was on activities related to desertification assessment; promotion of training and research on desertification control; technical cooperation among network members; and involvement of NGOs and women's groups.

13. Within the framework of DESCONAP, four regional seminars and workshops on issues related to desertification control were organized by ESCAP, in cooperation with UNEP and regional training and research institutions. With the aim of developing a unified methodological approach for desertification assessment and mapping, in November 1992 ESCAP, in cooperation with UNEP, organized an expert group meeting in Tehran for the Asia-Pacific and West Asia regions, hosted by the Government of Iran.

Task Force of Sahelian Dryland NGOs (GONGSA)

14. In cooperation with the International Institute for Environment and Development (IIED) UNEP supported the development and strengthening of the subregional "Survival in the Drylands" information network in the Sahelian countries by providing training for 35 people in participatory appraisal methods; holding two regional meetings of the Task Force of Sahelian Dryland NGOs (GONGSA); publishing eight *Haramata* newsletters and 16 issue papers; and producing 18 desertification maps and two wall charts.

15. In addition to improving the dissemination of relevant scientific and development information on desertification over the English- and French-speaking areas of Western Africa, UNEP provided support in the preparation of the declaration of the specific concerns of the Sahelian NGO's for the United Nations Conference on Environment and Development (UNCED) as well as support for their inputs into the preparation of the World Atlas of Desertification.

C. *Training*

16. UNEP, in cooperation with Governments and regional training and research institutions, continued to conduct training programmes in combating desertification; to enhance the technical capabilities of desertification-prone countries in tackling desertification and promote awareness of the threat. During 1991-1992, UNEP, in cooperation with ESCAP, the Arab Centre for the Study of Arid Zones and Drylands (ACSAD), IADIZA, UNEPCOM, the Green Belt Project of North Africa, ALECSO and the Governments of Argentina, China, Egypt, Mongolia and the Syrian Arab Republic organized training courses, workshops and seminars.

17. A total of 231 participants from Africa, Asia and Latin America were trained in the management of dryland natural resources, sustainable food production, monitoring and assessment of desertification, increased application of new technologies and public information. In keeping with UNEP policy, most of the training for developing countries was organized within the regions concerned: in Argentina, China, Egypt, Mongolia, the Syrian Arab Republic and Tunisia. In addition, IAWGD members, namely, the United Nations Sudano-Sahelian Office (UNSO), WMO, ESCAP and the International Institute for Environment and Development (IIED) organized training courses related to desertification control for a total of 4,900 participants from developing countries affected by desertification.

D. *Assessment and mapping*

18. In accordance with General Assembly resolutions 39/168 of 17 December 1989, and 44/172 of 19 December 1989, and encouraged by Governing Council decision 16/22, the Desertification Control PAC, in close cooperation with the Global Resource Information Database (GRID) Programme Activity Centres of UNEP, and drawing on the data available at the

University of East Anglia, United Kingdom (climate); the International Centre for Arid and Semi-arid Lands Studies of the Texas Technical University, United States (land statistics); and the International Soil Reference and Information Centre, Netherlands (soil degradation), completed four major undertakings during the period under review. The work was part of UNEP's general contribution to the UNCED preparatory process and provided inputs for Agenda 21, Chapter 12: "Managing Fragile Ecosystems: Combating Desertification and Drought".

19. The assessments covered the following areas:

(a) Refinement and operationalization of the definition of desertification, for the purpose of assessment and mapping;

(b) Refinement and quantification of the concept of world's drylands, for the purpose of desertification assessment;

(c) Assessment of the global status of desertification, showing its occurrence in the world's drylands:

(i) By types of drylands (hyper-arid, arid, semi-arid, and dry sub-humid);

(ii) By continent;

(iii) By major types of land use (irrigated croplands, rainfed croplands, and rangelands); and

(iv) By degree of land degradation (slight-to-none, moderate, severe, and very severe).

20. The outputs of the above three assignments were reviewed by members of DESCON, IAWGD and several expert panels, and were submitted, through the Governing Council at its third special session (see UNEP/GCSS.III/3), to the fourth session of the UNCED Preparatory Committee.

21. The fourth major undertaking entailed assistance in the preparation and publication (by Edward Arnold Publishers, London) of the World Atlas of Desertification, containing maps of thematic indicators of desertification. The Atlas was made available to Governments at UNCED.

22. The Governing Council, in its decision 16/22 D, underlined the need to further refine the definition of the concept of desertification, taking into account recent findings about the influence of climate fluctuations and the resilience of soils. In the report of the Executive Director to the Governing Council at its third special session "Status of Desertification and Implementation of the United Nations Plan of Action to Combat Desertification" (UNEP/CCSS.III/3) desertification is defined as "land degradation in arid, semi-arid and dry sub-humid areas (drylands) resulting mainly from adverse human impact. It is a widespread but discrete process of land degradation in space throughout the drylands, which differs significantly from the phenomenon of observed cyclic oscillations of vegetation productivity at desert fringes ("desert expansion or contraction") revealed by satellite data and related to climate fluctuations".

23. To understand better the relationship between desertification and climate fluctuations, UNEP, with WMO and the International Biosphere Geosphere Programme/International Council of Scientific Unions and some national meteorological services, initiated a study on the interactions of desertification and climate. The first phase of the study, to be completed in 1993, has three major components: impact of climate change on desertification; impact of desertification on climate; impact of climatic variability, including drought, on desertification.

24. The issue of the resilience of soils is more complicated, as there are no recent findings except for a general notion by some geographers that soils of drylands have appeared more resilient than was previously described. However, this can only be proven once assessments can be based on a multitude of local direct measurements, rather than on global indirect estimates.

25. A UNEP-cosponsored International Symposium on Soil Resilience and Sustainable Land Use, held in Budapest from 28 September to 2 October 1992, brought together 164 scientists, representing 33 countries and 18 international organizations (including Commissions and Standing Committees of the International Society of Soil Science (ISSS)). The scientists concluded that soil science had no established definition for soil resilience and that the concept of soil resilience, particularly in terms of measurable parameters, was not used by soil scientists. In addition, the concept was considered to be too vague at present to be of any practical use. The symposium recommended a study of soil resilience and its relevance to sustainability of land use, including agriculture. ISSS is to place the issue on its agenda of scientific research priorities. UNEP is also assisting in the organization of a symposium on soil resilience and soil management, to be held within the fifteenth International Congress of Soil Science in Mexico in 1994.

26. In accordance with Governing Council decision SS.III/1, paragraph 12 (a) (i), requesting UNEP to give strong emphasis to "refining the assessment of desertification especially at the regional and national levels", UNEP is currently undertaking several activities. In cooperation with ESCAP, FAO and UNDP, UNEP is assisting in preparing a comprehensive report for the Secretary-General on combating aridity, soil erosion, salinity, waterlogging, desertification and the effects of drought in South Asia, as requested by ECOSOC in its resolution 1991/97. The report contains detailed and precise data on the status of desertification in the South Asia region, that encompasses eight countries with a total population of over one billion. It will be presented to the ECOSOC substantive session of 1993 and, as decided by ECOSOC in 1992, will be an input for the negotiations on the convention on drought and desertification.

27. UNEP initiated a project for the world-wide accumulation of data on successful desertification control projects on the local or national scale, with a view to disseminating the experience of reliable success stories for replication elsewhere under similar socio-economic and ecological conditions. The database will complement existing data on the extent of desertification in the world and assist in mobilizing the resources needed to combat desertification. In cooperation with UNDP and other United Nations agencies, support is provided for developing countries for national and regional capacity building in the area of desertification assessment on local, provincial and national scales. The aim is to establish national and regional facilities for use by the Governments concerned and for the permanent monitoring of desertification.

E. *Monitoring*

28. Governing Council decision SS.III/1, paragraph 12 (a) (ii) requests the Executive Director to give strong emphasis in the work programme to "promoting the adoption and the monitoring and evaluation of the effectiveness of the policy guidelines and course of action presented in

chapter III of the report of the Executive Director" (see UNEP/GCSS.III/3). Within the United Nations system there are at present three valid documents that address the global problem of desertification and that contain policy guidelines and courses of action:

(a) The Plan of Action to Combat Desertification adopted by the United Nations Conference on Desertification (UNCOD) in 1977 and endorsed by the General Assembly. The substance of the PACD is still valid as indicated in the approved findings and recommendations of the External Evaluation of it in 1990 as endorsed by the UNEP Governing Council in its decision GC.16/22 D of 31 May 1991;

(b) The Chapter III of the Executive Director's report to the third special session of the Governing Council (UNEP/GCSS.III/3) which was noted with appreciation by the Council in its decision SS.III/1, paragraph 12 (a) (iii) and which contains the revised recommendations of the PACD; and

(c) The Chapter 12 of Agenda 21. Agenda 21 was adopted by UNCED in June 1992 and endorsed by the General Assembly at its forty-seventh session.

29. The above three documents are similar in content with regard to concerning the policy guidelines and courses of action. At the national and regional levels, it is up to Governments to decide which of the documents would be most practical for use as guidelines. At the international and global levels Agenda 21, as the latest document, incorporating earlier recommendations, will be used as the programming guideline by UNEP and other agencies and organizations of the United Nations system, but useful details will also be drawn from the earlier documents.

30. The Council at its third special session further requested the assignment of benchmarks and indicators of progress. This is a long-term undertaking to be implemented together with other indicators of global change within the system-wide Earthwatch programme. At present, an intensive world-wide discussion is taking place on the parameters to be monitored and the data to be collected with regard to both the physical changes taking place and the human dimensions. Several international initiatives relevant to the problem of desertification are being pursued globally and regionally, such as the database core project of the ICSU/IGBP, and the World Soil and Terrain Digital Database (SOTER) project of UNEP/FAO/International Soil Reference Information Centre.

31. UNEP's Desertification Control PAC is actively participating in the initiatives outlined above, besides developing its own methodologies, and has planned relevant activities for the next biennium. The major emphasis will be on establishing an international network of sites for monitoring and assessing ecological and socio-economic change. Sites will be identified in the dryland countries that participate in the network. Each site, or preferably a transect representing different ecological situations, will remain national property, but will be available for the activities of the network. The network will be an element of the global Earthwatch programme, with an international coordinating unit and databank. These plans will be appropriately adjusted, once an international convention on desertification and drought has been adopted.

F. *Information and Database*

32. In 1991-1992, UNEP continued to disseminate information on programme results and problems related to desertification control around the world. Issue 18, 19, 20 and 21 of the *Desertification Control Bulletin*, were published and distributed, with 4,500 English copies per issue. The World

Atlas of Desertification (800 copies), containing maps of thematic indicators of desertification in three sections - global, regional (for Africa), and national - with various case studies for different continents, has been published and was distributed to Governments at UNCED and to relevant professionals in all regions of the world. In accordance with Governing Council decision SS.III/1, paragraph 10, the report on the Status of Desertification and Implementation of the United Nations Plan of Action to Combat Desertification was published and submitted to the UNCED preparatory process. *The World Desertification Bibliography* has been updated and distributed to libraries, research institutions, United Nations Organizations and universities (800 copies). During the period under review, a total of 15,000 copies of the above publications and of other documents on desertification control were disseminated to interested parties around the world.

II. INTER-AGENCY WORKING GROUP ON DESERTIFICATION (IAWGD) AND COORDINATION OF THE IMPLEMENTATION OF THE PACD WITHIN THE UNITED NATIONS SYSTEM

33. The eighteenth regular meeting of IAWGD was convened in Geneva at the headquarters of the World Meteorological Organization (WMO) from 9 to 10 September 1991, immediately preceding the eighth session of the Consultative Group for Desertification Control (DESCON) to review the documentation prepared for the UNCED preparatory process. The following United Nations Organizations and agencies participated in the meeting: FAO, UNCED Secretariat, UNEP/ UNESCO/UNSO/UNDP, United Nations University (UNU) and WMO.

34. The 19th regular meeting of IAWGD was held in Vienna from 14 to 15 September 1992. Eleven United Nations Organizations participated: United Nations Department of Economic and Social Development (DESD), ESCAP, ESCWA, FAO, Office of the United Nations Disaster Relief Coordinator (UNDRO), UNEP, UNESCO, United Nations Industrial Development Organization (UNIDO), UNSO, World Food Programme (WFP) and WMO; and three subregional organizations, Arab Centre for the Study of Arid Zones and Drylands (ACSAD), the Sahel and Sahara Observatory (OSS), and the Southern African Development Coordination Conference (SADCC). The group reviewed ten reports on the implementation of the PACD (by DESD, ESCAP, ESCWA, FAO, UNDRO, UNEP, UNESCO, WFP and World Health Organization) and preliminary plans by the United Nations system to implement Chapter 12 of Agenda 21.

35. The activities undertaken and the assistance to developing countries provided by the United Nations system for the implementation of the PACD include:

- Assistance to countries to develop strategies to combat desertification, provided by ESCAP, ESCWA, the Economic Commission of Africa (ECA), FAO, the International Fund for Agricultural Development (IFAD), UNDP, UNEP, UNSO, World Bank;

- Projects aiming at integrated land use development, implemented or supported by DESD, FAO, International Fund for Agricultural Development (IFAD), UNDP, UNEP, UNESCO, UNSO, World Bank, WMO;

- Activities in the fields of drought preparedness, drought monitoring and/or drought relief, which are well established in the programmes of DESD, FAO, IFAD, UNDP, UNDRO, WFP, WHO, WMO;

- Research projects and technology development programmes, supported by DESD, FAO, IFAD, UNDP, UNESCO, UNEP, UNIDO, UNSO, World Bank;

- Activities related to assessment and monitoring of desertification, carried out by DESD, ESCAP, FAO, IFAD, UNDP, UNEP, UNSO, WMO;

- Support for relevant training courses, scientific seminars and workshops, provided by ESCAP, FAO, IFAD, UNDP, UNESCO, UNEP, UNSO, WFP, WMO;

- Activities to raise public awareness of dryland degradation, carried out by DESD, FAO, IFAD, Regional Economic Commissions, UNDP, UNEP, UNESCO, and UNSO.

36. The Working Group at its nineteenth regular meeting noted that Agenda 21, Chapter 12, with its six programme areas could appropriately be considered as the new framework for activities addressing desertification and drought-related problems. It also noted that Chapter 12 builds upon the PACD adopted by UNCOD in 1977. Accordingly, many agencies, while still in the process of consolidating their approaches to the implementation of Agenda 21, are re-orienting their existing activities to fit into the new framework and are focussing on new activities to fill any gaps.

37. The Group further recalled that a major constraint in implementing anti-desertification programmes was the lack of financial and other resources. In this regard, it was noted that the participants in the Global Environment Facility (GEF) had agreed to consider anti-desertification projects for financing under the Facility, as long as they were related to the four adopted global priority areas of GEF. The Group considered it important to continue the efforts to establish desertification as a priority issue on its own merits within GEF. Several members of the Group pointed out that in disaster prevention and rehabilitation there was a trend towards increasing assistance for relief rather than for developmental activities and that there was a need to find ways in which relief work could also serve longer-term development.

38. The Group discussed the proposal contained in Agenda 21 that the General Assembly establish an intergovernmental negotiating committee for the elaboration of an international convention on desertification, and was of the opinion that such a convention would enhance national and international efforts to combat desertification.

III. THE CONSULTATIVE GROUP FOR DESERTIFICATION CONTROL (DESCON)

39. The Governing Council, in its decision 16/22 A, paragraph 9, authorized the Executive Director to convene the eighth session of DESCON as a session of special character to review the draft report on the implementation of the PACD before the report was made available to the Preparatory Committee of UNCED and to invite all interested Governments, donor agencies and intergovernmental agencies to that session.

40. The eighth session of DESCON was convened at WMO headquarters, Geneva, from 11 to 12 September 1991 and was attended by 16 Governments (Australia, Botswana, Brazil, Chile, China, Denmark, Ethiopia, Finland, Germany, Japan, Kenya, Nigeria, Peru, Sweden, Switzerland and the United States), seven United Nations organizations (FAO, UNCED Secretariat, UNEP, UNESCO, UNSO/UNDP, UNU and WMO), the Italian non-governmental organization CSARE-SILVA, the Intergovernmental Authority on Drought and Development (IGADD), the Islamic Development Bank and 12 independent consultants invited by UNEP.

41. The Group reviewed the UNEP draft report on the status of desertification and implementation of the United Nations Plan of Action to Combat Desertification; the draft report of the Secretary-General on financial studies requested by the General Assembly in its resolution 44/172 on the PACD; and Chapter 6 of the state-of-the-environment report, on desertification and other kinds of land degradation. The comments and suggestions made by the Group were incorporated into the main documents before submission to the Governing Council at its third special session and, subsequently, to the fourth session of the Preparatory Committee of UNCED and to the Secretary-General of the United Nations.

IV. FINANCING AND OTHER MEASURES IN SUPPORT OF THE PLAN OF ACTION TO COMBAT DESERTIFICATION

Expert Studies

42. In its resolution 44/172 of 19 December 1989, the General Assembly requested the Secretary-General, with the assistance of the Executive Director of UNEP, to undertake studies on the financing of the PACD and other aspects of supporting it. The studies were carried out by UNEP and were reviewed by several expert panels, by the eighteenth IAWGD and DESCON-8 meetings and by the Governing Council at its third special session. Subsequently, the studies were made available to the UNCED Preparatory Committee at its fourth session with the aim of having them taken into account in the preparation of appropriate chapters of Agenda 21.

The Global Environment Facility (GEF)

43. On 30 April 1992, the participants in the GEF decided that land degradation issues, primarily desertification and deforestation as they related to the priority areas of the Facility, would be eligible for financing by the GEF. UNEP and UNDP organized an expert workshop in Nairobi from 28 to 30 October 1992, to discuss the main global issues raised by desertification/land degradation that have direct relevance to the established objectives of GEF, as presently defined and to discuss those issues that have global significance, but which do not presently lie within the framework of GEF. At the workshop, the 21 participating experts from all continents and representatives of FAO, UNDP, UNEP, UNSO, World Bank and WMO made recommendations for the GEF to consider at its meeting in Abidjan in December 1992. At that meeting, the participants in GEF reiterated the earlier decision of 30 April 1992, but did not reach consensus on including land degradation in the GEF as a priority area in its own right.

The Consultative Group for Desertification Control (DESCON)

44. In its decision 16/22 B, the Governing Council recommended: "pending action by the General Assembly on the recommendations of the United Nations Conference on Environment and Development, the mandate of the Consultative Group for Desertification Control should be changed to concentrate on information exchange and co-ordination, reviewing the status of the Plan of Action to Combat Desertification and exchanging information on scientific research national programmes and the implementation of the Plan of Action to Combat Desertification and advising on further action against desertification". In line with that decision, DESCON did not take any action towards financing of the PACD.

45. Further, in its decision 16/22 A the Governing Council invited "donor Governments, intergovernmental bodies, including aid agencies and non-governmental organizations, to accord high priority in their bilateral and multilateral assistance activities to national programmes for combating desertification and for the rehabilitation of degraded land resources and

to take into account the promotion of long-term ecological and social rehabilitation programmes in areas prone to desertification". In its decision 16/22 B, the Council invited "the international community to create the necessary economic and financial conditions that would enable countries prone to desertification to appropriate part of their resources to combat desertification". Despite the urgent need for action in this field, no country or agency has reported any tangible progress in according high priority to programmes for combating desertification and rehabilitating degraded land.

V. ACTIVITIES OF THE UNITED NATIONS SUDANO-SAHELIAN OFFICE IN 1991 AND 1992

Introduction

46. During 1991 and 1992, UNSO maintained a strong programme of assistance to the countries of the Sudano-Sahelian region, aimed at securing sustainable economic and human development, and focused on three major themes: the strengthening or creation of national capacities in planning and coordination for the improved management of natural resources; operational field activities; and public information and awareness-building activities. These were all supported and combined with resource mobilization. In addition, in accordance with General Assembly resolution 44/172 B of 19 December 1989 and Governing Council decision 16/22 C of 31 May 1991, an integral part of UNSO's work programme in 1991 and 1992 comprised assistance to the Sudano-Sahelian countries in preparation for UNCED.

A. *Planning, coordination and monitoring*

47. During the period under review, UNSO further strengthened its programme of assistance in planning, coordinating and monitoring the sustainable use of productive resources. The strategic framework process involves either the strengthening or the setting up of an institutional or inter-ministerial mechanism to coordinate the preparation of a national management strategy for natural resources and the implementation of the programme. UNSO currently supports the strategic framework process in 17 Sudano-Sahelian countries, with activities at various levels of implementation, depending on the country's specific situation. UNSO's financial support for those activities averages between $200,000 and $400,000 per activity, over a one- to two-year period.

48. Experience gained in assisting the Ecological Monitoring Centre in Senegal has resulted in the introduction of a more demand-driven approach to strengthening the national capacity, reinforcing the database and creating national networks for ecological monitoring, which are an important tool in environmental management. UNSO is currently initiating environmental information system (EIS) activities in Burkina Faso, Cape Verde, Gambia, Ghana, Ethiopia, Mali, Niger, Uganda and the United Republic of Tanzania. At the same time, with UNSO support, the Senegal Ecological Monitoring Centre is developing into an independent, self-financing institution, which also serves as a regional training centre.

49. UNSO continued the ongoing process of harmonizing the various natural-resource and environmental management programmes in the region. Further consultative meetings were organized at UNSO headquarters in April 1991 and November 1992, bringing together the organizations involved in such harmonizing work, namely, UNDP, UNEP, FAO, UNSO, the World Bank and IUCN - the World Conservation Union.

50. In light of the decisions of UNCED, UNSO is broadening existing strategic framework programmes in order to contribute to UNDP's new capacity-building initiative to develop and fund environmentally related capacity-building activities. This is an area in which UNSO has considerable expertise and should play a pioneer role.

51. In cooperation with UNDP, the World Bank and the African Development Bank, in 1992 UNSO launched a Joint Regional Programme Facility, which aims to strengthen national capacities to integrate the environmental dimension into all aspects of development planning. The facility will also establish a network of African experts and institutions, with the aim of to fostering technical cooperation among African countries.

52. Other initiatives which have furthered regional information exchange include UNSO's cooperation with the Sahel and Sahara Observatory (OSS). An OSS/UNSO "Survey of observation structures" was completed in 1992, which gives a comprehensive summary of the major activities in ecological monitoring.

B. *Operational field activities*

53. UNSO concentrates on projects and programmes geared towards integrated resource management and highlighting specific thematic areas - integrated village-based land management; pastoral development; and rangeland management. By incorporating past experience into innovative new approaches, relevant and replicable methodologies and techniques have been developed, which can be incorporated into plans for the sustainable development of natural resources and applied to other areas with similar ecological problems. This is very much in line with the thrust of Agenda 21 in relation to drought and desertification activities.

54. During 1991-1992, new field projects were approved for *inter alia*, agro-pastoral development in Chad and Kenya, land protection and desertification control in Sudan and Uganda, environmental education and awareness-building in Benin, and developing the national components of a regional land rehabilitation programme to provide tree seeds in Djibouti, Ethiopia, Sudan and Uganda. Subsequent phases of several existing projects were approved, for example assistance for green belt management around Niamey (Niger), together with various regional projects.

55. A new village-based land management project in Sudan, based around El Odaya in Kordofan, involves some 20,000 people in 66 villages. Focusing on desertification control, the project aims to establish self-reliant rural communities that develop and manage their own environment, supported by a revolving fund, 25 per cent of which will be devoted to activities proposed by women in the villages.

56. In Uganda, the Karamoja women's project is designed to promote socio-economic development and the environmental protection in Uganda's most arid, drought-prone region. The project includes an innovative pilot credit scheme for agricultural, agro-forestry and horticultural development. In addition, its approach encourages the participation of the community natural resource management, whereby the women design and implement the project.

57. Among ongoing programmes, the Sahel Programme, with a total budget of more than $25 million over five years, involves village land-based management in Burkina-Faso, Niger and Senegal. In partnership with the beneficiaries, the aim is to develop easily applicable management techniques for land development and natural resources, for use both nationally and in other similar areas, and to define and implement land management plans in cooperation with the participating villages.

58. Innovative projects for desertification control involving agricultural and rangeland management have been formulated for Benin, Eritrea, Kenya, Niger and Sudan.

59. Two new interregional projects emphasize the importance given to cooperation with non-governmental organizations. The first, implemented by the non-governmental organization SOS Sahel, is developing and refining participatory evaluation processes; the second, implemented by the International Institute for Environment and Development (IIED), is designed to provide a framework for dialogue and long-term cooperation between the research community and NGOs.

C. *Information activities*

60. Information and awareness-building activities not only complement UNSO's work programme, but have various other functions. The publications prepared for UNCED on the status of drought and desertification and on alternative means of production serve to increase knowledge and awareness of drought and desertification in the Sudano-Sahelian region. The *Information Notes for UNCED* were published to assist delegations from the Sudano-Sahelian countries at the Preparatory Committee session in March 1992 and at the Conference itself. The *UNSO Report for 1990-1991* and a video production on UNSO activities were produced for a wide audience, to provide information and mobilize resources within the countries, the United Nations system and the donor community.

61. To disseminate the useful results of field experience, UNSO prepared two technical publications, the first dealing with reforestation in Ethiopia, and the second on sand encroachment control in Mauritania. UNSO also supported the making of a prize-winning and widely distributed film entitled "Rivers of Sand", based on a successful project for the rehabilitation of Bourgou grass (ECHINOCHLOA STAGNINA) areas in the inner delta of the Niger River, and short videos featuring UNSO projects: one on protecting the Road of Hope in Mauritania against sand encroachment (completed) and another on gum arabic rehabilitation in the Sudan (in preparation).

D. *Resource Mobilization*

62. The UNEP/UNDP joint venture to support UNSO in implementing the PACD, in the Sudano-Sahelian region contributes the seed financing for project identification, formulation and monitoring, pilot projects, support to regional activities and organizations, information and awareness-building and training. In adopting its programme budget, the UNEP Governing Council, in recognition of UNSO's work and of the importance of the joint venture's support to UNSO's activities, approved the doubling of the programme support for 1991-1992.

63. Contributions to UNSO's general resources increased consistently, from $2.9 million in 1984 to $8.3 million in 1991. Earmarked funds also rose steadily. During 1991-1992, a total of 52 new projects were approved, with a value of $22,386,501. The support per project varies widely, from $3,000 for support-type projects, to about $7 million, reflecting UNSO's flexible approach in targeting different groups.

64. In 1992, however, financial support from donors declined considerably because of uncertainties about post-UNCED developments, restructuring within the United Nations system and the international economic situation. At the same time, a new momentum was created by UNCED, requiring additional funds to address the problems of the Sudano-Sahelian region and for the effective follow-up to Agenda 21. In the light of those considerations, UNSO has started a new round of consultations with traditional donors and has begun to investigate the possibilities of attracting new donors.

65. UNSO has also been looking into the potential for funding through other mechanisms, such as the GEF multilateral funds, regional and subregional development banks and the private sector, including charitable foundations and individuals. The participants in the GEF have agreed that land degradation (desertification and deforestation) projects would be eligible for GEF funding, provided they related to and were justified within one or more of the four priority areas of GEF.

66. UNDP/UNSO, UNEP and the World Bank organized a workshop in Nairobi in October 1992 for leading experts on land degradation, desertification and deforestation, with a view to establishing criteria for the land degradation projects eligible under the GEF and reviewing the global dimensions of the desertification problem in order to justify desertification as a GEF priority area in its own right. The findings of the workshop were presented to the meeting of GEF participants in December 1992. At that meeting, UNSO submitted two projects, prepared as part of the fourth GEF tranche, for final review and approval. Both projects, one in Benin and the other in Sudan, seek to combine anti-desertification efforts with schemes for carbon sequestration, using better village-based land-use systems to prevent the over-exploitation of marginal lands.

67. With regard to collaboration with the regional development banks, new initiatives include the joint regional programme facility mentioned in paragraph 51 above, supported by UNSO, UNDP, the World Bank and the African Development Bank. In order to tap into the resources available from corporations, trusts and individuals, UNSO supported the mobilization of resources related to the Drought Fund established by the Organization of African Unity.

E. *UNCED preparatory process and its follow-up*

UNCED preparations

68. UNSO's aim during the preparatory process for UNCED was to assist the Sudano-Sahelian countries to take full advantage of the opportunity presented by the Conference to focus on the interdependence of environmental issues and development and to integrate environmental concerns into their development processes. It was particularly important to the Sudano-Sahelian countries to ensure that drought and desertification issues were placed high on the agenda of UNCED. To that end, UNSO assisted countries in defining their priorities by supporting the establishment of National Committees for UNCED and the preparation of national reports, by building awareness of the issues related to UNCED and by supporting the participation of countries in preparatory meetings and at the Conference itself.

69. Through the Joint Support Committee, (comprising UNSO, the Permanent Interstate Committee to Combat Drought in the Sahel (CILSS) and the Intergovernmental Authority on Drought and Development (IGADD)) UNSO organized two subregional meetings, one in Ouagadougou in February 1991 and the other in Cairo in July 1991, to facilitate a concerted approach to common subregional concerns. The outcome of those meetings: "the Sudano-Sahelian Platform for Action on UNCED negotiations and beyond" contributed to the African Common Position for UNCED.

70. As a member of the Joint Secretariat (comprising UNDP, UNEP, ECA, OAU, the African Development Bank, and the UNCED Secretariat), UNSO helped to organize and participated in the preparatory activities leading to the meeting of African Ministers of Planning and Environment, held in Abidjan in November 1991, which adopted the African Common Position.

71. As a participant in the UNCED preparatory committee working party on land and agriculture, UNSO cooperated closely with the UNCED Secretariat and other United Nations agencies and contributed substantially to the preparation of conference position papers on African issues and the elaboration of the programme areas on drought and desertification to be included in Chapter 12 of Agenda 21. In that context, UNSO produced two special detailed studies: an "Assessment of desertification and drought in the Sudano-Sahelian region: 1985-1991", prepared in accordance with Governing Council decision 16/22 C, paragraph 3, to complement the UNEP report on the "status of desertification and implementation of the PACD (UNEP/GCSS.III/3) and "Alternative and sustainable systems of production and livelihood in marginal lands", investigating productive ways of generating income in stressed ecosystems, drawing on examples world-wide.

Agenda 21

72. UNCED drew attention - unprecedented since UNCOD in 1977 - to drought and desertification as problems of major concern affecting the global environment. The key environmental problems for countries in arid, semi-arid and sub-humid areas of Africa are drought and desertification and, as such, these were thus presented as priority areas for the conference agenda.

73. Chapter 12 of Agenda 21, containing the decisions of the conference on drought and desertification has now become the new frame of reference for anti-desertification measures, providing the guidelines for future action and the basis for evaluating current activities. It contains six programme areas which are concerned with the impact of desertification and drought and the underlying causes, mainly poverty. These major areas build on and embody the earlier PACD adopted by UNCOD in 1977, which UNSO is already mandated to implement, on behalf of UNEP, in the Sudano-Sahelian region.

74. UNSO's approach, integrating human development and natural resource management, and its ongoing activities accord well with Agenda 21. This approach and the experience gained over nearly 20 years in assisting dryland countries to combat drought and desertification strongly supports UNSO's role in implementing the anti-desertification measures outlined in Agenda 21.

UNCED follow-up

75. Agenda 21 gives guidelines for the future development of UNSO, with emphasis on strengthening the ongoing programme of assistance in planning and coordination and programme and project development, and in investigating new fields related to drought preparedness and alternative production systems.

76. As concerns the proposed convention on desertification, in line with the request contained in Chapter 12 of Agenda 21, the General Assembly in its resolution 47/188 of 22 December 1992 decided to establish an Intergovernmental Negotiating Committee for the elaboration of an international convention to combat desertification in those countries experiencing serious drought and/or desertification, particularly in Africa, with a view to finalizing such a convention by June 1994. In the same resolution, the General Assembly invited UNSO to "assist the countries covered under its mandate in their preparations and participation in the negotiating processes and to mobilize resources for this purpose". In assisting the African countries in preparing negotiation process defining a joint understanding on the priority issues and objectives and, as far as possible, adopting a common position and approach, UNSO supported the consultative meeting organized by the OAU in Addis Ababa in October 1992.

77. To address those programme areas of Chapter 12 which have not yet been given special emphasis by UNSO, programmes are being drawn up for consolidated drought preparedness and drought relief, taking into account national planning framework processes. Attention is also being given to assisting alternative livelihood programmes for drought and desertification-prone areas, which will contribute to poverty alleviation and assist environmental refugees.

78. In its Chapter 38, paragraph 27, Agenda 21 calls for strengthening the role of UNSO, operating under the umbrella of UNDP and with the support of UNEP, so that UNSO can assume an appropriate major advisory role and participate effectively in the implementation of the provisions of Agenda 21 related to combating drought, desertification and land resource management. The experience gained by UNSO over the years could be used by all countries affected by drought and desertification, in particular those in Africa, with special attention to countries most affected or classified as least-developed countries.

79. Building on the existing close cooperation with the Permanent Interstate Committee for Drought Control in the Sahelian zone (CILSS) and IGADD, UNSO has made initial moves to create closer ties with other appropriate regional and subregional organizations, such as the Southern African Development Coordination Conference (SADCC) and the Maghreb Arab Union. Collaboration is also being strengthened with other regional partners, such as OAU, ECA and the African Development Bank, particularly in subregional consultations, joint strategic programmes related to the provisions of Chapter 12 of Agenda 21 and support for the negotiation process for the desertification convention.

80. For UNSO's initiatives to be successful, however, it is essential to secure substantial additional resources in order to step up its assistance programme, to maintain the momentum built up during UNCED and to implement the identified action programme.

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ITEM 5:* STATE OF THE ENVIRONMENT

EXECUTIVE SUMMARY OF THE STATE-OF-THE-ENVIRONMENT REPORT 1992: "POVERTY AND THE ENVIRONMENT"

Report of the Executive Director

Summary

This brief summary requested by the Governing Council in its decisions 16/15C paragraph 3 and 16/5 paragraph 1(c), outlines the contents of the State-of-the-Environment Report for 1992: "Poverty and Environment". Briefly, the report covers: introduction to poverty; gaps between the rich and poor; the environment of the poor - rural poverty and environment, urban poverty and environment, disasters and the poor, environmental refugees of 2100; dumping on the poor; the migration syndrome; and the poverty gridlock and environment.

Suggested action by the Governing Council

The Governing Council may wish to take note of the summary of the, Executive Director's State-of-the-Environment Report 1992: "Poverty and Environment".

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

EXECUTIVE SUMMARY OF THE STATE-OF-THE-ENVIRONMENT REPORT 1992: "POVERTY AND THE ENVIRONMENT"

1. By its decision 16/15C paragraph 3, the Governing Council called upon the Executive Director to prepare the 1992 State-of-the-Environment (SOE) report on the issue of poverty and environment. In its decision 16/5, paragraph 1(c) the Council also requested the Executive Director to submit to it a brief executive summary of the SOE report which should continue to be issued as an annual basis but not as an official document of the Governing Council (decision 16/5, paragraph 1(b).

2. Due to the intensive effort required for the production of the 1993 comprehensive state-of-the-environment report *The World Environment 1972-1992 : Two Decades of Challenge*, which was launched in December 1992, and its analytical version *Saving Our Planet: Challenges and Hopes*, which was produced in time for the United Nations Conference on Environment and Development (UNCED) in June 1992, the finalization of the 1992 SOE Report "Poverty and Environment" has been delayed.

3. The 1992 SOE Report "Poverty and Environment", at the time of writing this summary for the Governing Council, had been completed by a consultant. It is anticipated that the report will be translated into the languages of the United Nations for printing by UNEP and distribution to Governments later in 1993. The timing for this is dependent on the preparation of documents for the seventeenth session of the Governing Council. However, the report should be available for World Environment Day 1993, the theme of which is poverty.

4. The 1992 SOE report "Poverty and Environment" will be some 40 pages long. It examines the status of poverty in the world and the major interrelations between poverty and environment. The report concludes that the only way out of the vicious cycle of poverty and environmental degradation is to eliminate poverty by promoting sustainable and environmentally sound development.

5. The report is structured as follows:

I. **Introduction** Section I describes poverty and the variations within and among countries. It also describes the conditions under which poor people live and the problems they face.

II. **The Gaps Between the Rich and Poor** This section discusses population increase and its consequences for the pace of national economic development, political stability and human rights in developing countries; and the perpetuation of the gap between rich and poor countries. The discussion touches on employment, structural adjustment, falling commodity prices and foreign debts, which it is concluded, are contributing to the widening gap between developed and developing countries, in spite of the fact that disparities in indicators of basic human survival (primary education, life expectancy, infant and child mortality) have narrowed considerably during the last three decades. The widening gap, however, is likely to lead to increased disparities between North and South in terms of human development. The discussion also covers the disparities within nations, in particular between rural and urban populations.

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III. **The Environment and the Poor** In this section there is discussion of the cycle of economic problems that cause or aggravate environmental degradation, which in turn makes economic and structural reform difficult to achieve. Immediate survival requires choices that degrade the environment; such choices are not the result of a lack of concern for the future. Poverty and environmental degradation have thus come to reinforce one another, to perpetuate destitution in many developing countries. The discussion studies in more detail the effects of poverty on people and the environment under the following subheadings:

- **Rural Poverty and Environment:** covering exploitation of fragile resources; land degradation and soil erosion; flooding; deforestation; loss of biodiversity; human health; and urbanization;

- **Urban Poverty and Environment:** covering the economic, social and environmental problems of rapid and mostly unplanned urbanization, e.g. overcrowding, unsanitary living conditions, social unrest and environmental pollution from liquid and solid wastes, and water and air pollution;

- **Disasters and the Poor:** covering the increasing occurrence and/or impacts of natural disasters (drought, floods) caused by human activities; the risks from industrial accidents;

- **The Environmental Refugees of 2100:** discussing the way in which millions of poor people, temporarily or permanently displaced because of different disasters, create environmental, socio-economic and cultural problems. This section also notes the effects of global warming and sea-level rise.

- **Dumping on the Poor:** covering the export of sub-standard products to developing countries and the dumping of hazardous wastes.

IV. **The Migration Syndrome** Section IV briefly discusses the migration of intellectuals, scientists and skilled workers, and some of the resulting socio-economic and environmental problems such as low-paid and dangerous jobs and urbanization.

V. **The Poverty Gridlock and Environment** The report concludes that in the last two decades little has been done to reduce poverty and the disparities between and within countries. It is acknowledged that environmental degradation is not necessarily directly caused by poverty, but is frequently attributable to inefficient management and inappropriate policies. However, it is recognized that economic deprivation and environmental degradation have reinforced one another to perpetuate destitution in many developing countries. The major causes of the continued deterioration of the global environment are considered to be unsustainable patterns of consumption and production (particularly in industrialized countries) and unsustainable development and resource destruction by the poor (particularly in developing countries).

6. Poverty and the environmental problems of the South are a global problem, requiring global solutions. The report concludes that the struggle against poverty is the shared responsibility of all countries. Ways of meeting this challenge include official development assistance, the furthering of environmentally sound and sustainable development, economic reforms, access for developing countries to the technologies they need, and community participation.

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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

THE ENVIRONMENT FUND: USE OF RESOURCES IN 1992-1993 AND PROPOSED USE OF PROJECTED RESOURCES IN 1994-1995 AND 1996-1997

Report of the Executive Director

Summary

This report deals with the management of resources of the Environment Fund during 1992-1993, the possible level of resources that will be available for the biennium 1994-1995 and, on the basis of that estimate of resources, the Fund programme that might be afforded for those years. Projections are also made for the biennium 1996-1997 and the guidance of the Council is requested on the formulation of a programme for that biennium.

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* Refers to the number of the item on the provisional agenda (UNEP/GC.17/1).

Suggested action by the Governing Council

The Governing Council may wish to take a decision along the following lines:

The Governing Council,

Having considered the report of the Executive Director on the Environment Fund covering the use of resources in 1992-1993 and the proposed use of projected resources in 1994-1995 and 1996-1997;

1. *Expresses its appreciation* to those Governments that have contributed or have pledged to contribute to the Fund at a higher level in 1992 and 1993;

2. *Notes with concern* that contributions in 1992 have not only fallen short of the target established by the Council but that they will be insufficient to finance the core programme of activities approved by the Council for 1992-1993;

3. *Reconfirms* that, in conformity with Agenda 21 and in order to be able to exercise the functions assigned to it, UNEP requires additional human and financial resources;

4. *Takes note* of the table of assessed contributions to support core activities financed by the Environment Fund based on the Governing Council's target of $100 million for contributions to the Fund in 1992;*

5. *Calls upon* all Governments to contribute to the Environment Fund or, where they are already contributing, to increase their contributions taking into account the table referred to in paragraph 4 of the present decision;

6. *Expresses its appreciation* to the Japan Broadcasting Corporation for its contribution to the Environment Fund and authorizes the Executive Director to accept it;

7. *Takes note* of the revised allocations for 1992-1993 Fund programme activities issued by the Executive Director as a consequence of the shortfall in contributions below the $100 million target for 1992;

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* Annex III to the present report.

8. *Approves* an appropriation of $130 million for core 1 Fund programme activities for the biennium 1994-1995 and decides to apportion this appropriation as follows:

	Subprogramme/budget line	*Amount* (Thousands of United States dollars)	*Percentage*
1.	Protection of the atmosphere		
2.	Environmental management of freshwater resources		
3.	Environmental management of terrestrial ecosystems and their resources		
4.	Environmental management of oceans and coastal area management		
5.	Environmental health, settlements and human welfare		
6.	Environmental economics, accounting and management tools		
7.	Environmental law, institutions and policies		
8.	Toxic chemicals and waste management		
9.	Industry, energy and the environment		
10.	Earthwatch data, information, assessment and early warning		
11.	Capacity-building for environmentally sound and sustainable development		
12.	Support to and cooperation for environmental action (including global and regional cooperation)		
TOTAL		**130 000**	

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9. *Approves* a second appropriation of $30 million for core 2 Fund programme activities for the biennium 1994-1995, which will be implemented as and when resources become available, taking into account the following apportionment:

Subprogramme/budget line	*Amount* (Thousands of United States dollars)	*Percentage*
1. Protection of the atmosphere		
2. Environmental management of freshwater resources		
3. Environmental management of terrestrial ecosystems and their resources		
4. Environmental management of oceans and coastal area management		
5. Environmental health, settlements and human welfare		
6. Environmental economics, accounting and management tools		
7. Environmental law, institutions and policies		
8. Toxic chemicals and waste management		
9. Industry, energy and the environment		
10. Earthwatch data, information, assessment and early warning		
11. Capacity-building for environmentally sound and sustainable development		
12. Support to and cooperation for environmental action (Including global and regional cooperation)		
TOTAL	**30 000**	

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10. *Approves* an additional appropriation for Fund programme activities for the biennium 1994-1995 of $40 million as set out below, on the understanding that this additional appropriation will be used only as and when additional resources become available to the Environment Fund once the core 1 and core 2 programmes have been initiated, taking into account the following apportionment:

Subprogramme/budget line	*Amount* (Thousands of United States dollars)	*Percentage*
1. Protection of the atmosphere		
2. Environmental management of freshwater resources		
3. Environmental management of terrestrial ecosystems and their resources		
4. Environmental management of oceans and coastal area management		
5. Environmental health, settlements and human welfare		
6. Environmental economics, accounting and management tools		
7. Environmental law, institutions and policies		
8. Toxic chemicals and waste management		
9. Industry, energy and the environment		
10. Earthwatch data, information, assessment and early warning		
11. Capacity-building for environmentally sound and sustainable development		
12. Support to and cooperation for environmental action (including global and regional cooperation)		
TOTAL	40 000	

11. *Approves* an appropriation of $5 million to the Fund programme reserve for the biennium 1994-1995;

12. *Reconfirms* the Executive Director's authority to adjust the apportionment for each budget line by 20 per cent, within each of the above appropriations for Fund programme activities in 1994-1995;

13. *Emphasizes again* the need to maintain the liquidity of the Fund at all times;

14. *Authorizes* the Executive Director to enter into forward commitments not exceeding $20 million for Fund programme activities in 1996-1997;

15. *Requests* the Executive Director to draw up a programme for Fund activities in 1996-1997 with a core programme of $ _____ million and a supplementary programme of $ _____ million;

16. *Also requests* the Executive Director to report to the Committee of Permanent Representatives at its regular meetings on matters relating to programme implementation and planning.

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THE ENVIRONMENT FUND: USE OF RESOURCES IN 1992-1993 AND PROPOSED USE OF PROJECTED RESOURCES IN 1994-1995 AND 1996-1997

Introduction

1. Resources available for the implementation of environmental activities come from four different sources, namely:

(a) The regular budget of the United Nations;

(b) The Environment Fund;

(c) Trust funds; and

(d) Counterpart contributions.

2. Table 1 sets out the resources received (either actual or estimated) from each of those sources. This document is concerned only with the resources of the Environment Fund and their use. The management of trust funds and counterpart contributions is dealt with in a separate document.

Table 1. Resources received for environmental activities, 199 -1991, 1992 and 1993

	1990-1992	1992	1993
	(Actual)	(Estimates	
	(Thousands of United States dollars)		
Regular budget	10 842	6 372	6 372
Environment Fund	111 023	63 661	65 000
Trust funds	34 854	22 266	25 000
Counterpart contributions	10 837	8 000	8 000
Total	**167 556**	**100 299**	**104 372**

I. CONTRIBUTIONS TO THE ENVIRONMENT FUND

3. By decision 15/1, section V, the Governing Council agreed "to set a target of $100 million for contributions to the Environment Fund by the year 1992" and called upon all Governments to increase their contributions to the Fund by at least 35 per cent per annum from the 1 January 19 89 level to enable the target to be met.

4. In decision 16/44, paragraphs 3-5, the Governing Council reconfirmed the $100 million target for 1992, noted the Executive Director's view that a contribution of $250 million would be required by 1995 and affirmed "the desirability of working towards a level substantially higher than the present level of contributions to the Environment Fund by 1995".

5. The United Nations Conference on Environment and Development (UNCED) stated that in order for UNEP to be able to perform the functions assigned to i, "it would require access to greater expertise and provision of adequate financial resources" (Agenda 21, chapter 38, para. 38.23).

6. As at 31 December 1992, a total of $62.45 million had been paid to the Fund by 44 countries for 1992. Another 32 countries are still expected to make contributions totalling $1.20 million for that year. Thus, the total estimate of contributions for 1992 is $63.66 million. This figure represents an increase of 6.8 percent over the 1991 estimated contributions of $59.56 million but is significantly short of the Governing Council's target of $100 million. The 1992 total of $63.66 million was, however, affected by exchange rate factors: if the rates of exchange prevailing at the end of 1991 had remained unchanged throughout 1992, the United States dollar value of contributions paid in national currencies would have been $2.36 million higher than it was. Also, no contributions were received from the States of the former USSR whereas in 1990 that country had been a major contributor to the Fund, paying $5.87 million, albeit in non-convertible currency.

7. Of the 65 pledges received for 1992, 30 were at a higher level than in 1991, 28 were at the same level and 7 were at a lower level. Nevertheless, the Executive Director is concerned by the fact that contributions to the Environment Fund are far from the target established by the Governing Council in decision 15/1.

8. In addition to the general concern that contributions to the Environment Fund have fallen short of the target set by the Governing Council, there has been a particular concern that the base of contributions to the Environment Fund is too narrow. In paragraph 20 of decision 16/44 the Governing Council requested the Executive Director "to consider ways of ensuring a more stable and wider basis for voluntary contributions to the Environment Fund". As shown in table 2, 52.5 per cent of pledges to the Environment Fund in 1992 were accounted for by three countries, while 96.3 per cent of contributions were pledged by a total of only 15 countries, with 61 countries pledging the remaining 3.7 per cent.

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Table 2. Contributors to the Environment Fund, 1992

Country	*Amount*	*Percentage* $
1. United States	17 124 000	26.9
2. United Kingdom	8 253 000	13.0
3. Japan	8 000 000	12.6
4. Germany	5 774 436	9.1
5. Finland	3 938 648	6.2
6. Sweden	3 613 963	5.7
7. Norway	2 803 813	4.4
8. Switzerland	2 181 818	3.4
9. Italy	2 144 389	3.4
10. France	2 004 008	3.1
11. Netherlands	1 879 695	3.0
12. Denmark	976 309	1.5
13. Canada	925 147	1.5
14. Spain	862 995	1.4
15. Australia	829 464	1.3
Subtotal	61 311 685	96.3
Others (61)	2 349 238	3.7
Total contributions	**63 660 923**	**100.0**

9. Overall, only 75 States Members of the United Nations or members of a specialized agency contributed to the Fund in 1992 out of a total end-of-year membership of the United Nations of 179. Efforts by UNEP to increase the number of countries contributing to the Fund have not been successful.

10. It is clear that once again the Governing Council is faced with the problems of determining budget parameters in a situation of considerable uncertainty - a situation the Executive Director is faced with in managing the Fund on a continual basis, even from month to month. The Governing Council may feel that it would be timely to consider whether any alternatives are open to it in these circumstances.

11. The Environment Fund has always been seen as a voluntary fund to which Governments have contributed whatever they feel they can afford or wish to pay. The question must be raised, however, whether this is now appropriate in the light of the accepted need to strengthen the financial base of UNEP (and the United Nations system, which is also to be catalysed to undertake environmental activities through the Environment Fund). Alternative contribution structures have been suggested, not least by the management consultants engaged by the Executive Director pursuant to paragraph 2 of Council decision 16/6, who recognized that the uncertainty of its financial structure is the most difficult constraint under which UNEP had to work. They suggested:

(a) That the programme and programme support costs (PPSC) budget and the core programme of activities should be financed by way of assessed contributions;

(b) That a voluntary fund should finance the supplementary or additional budgets.

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12. The Executive Director recognizes the reluctance of some Governments to accept the principle of assessed contributions but believes this is an issue that should at least be addressed. An alternative would be for a system of negotiated pledges, but the record of pledging to the Fund does not suggest that such a system would necessarily provide either higher contributions or greater certainty for planning purposes. The Executive Director is asking for the issue of securing greater certainty in funding to be addressed by the Council at its seventeenth session. This discussion should also perhaps include the issue of increasing the number of countries contributing to the Fund and "ensuring a more stable and wider basis for voluntary contributions" as called for in paragraph 20 of decision 16/44. In this respect, the Executive Director finds it difficult to identify "appropriate indicative comparisons" to use in discussing this issue other than the usual measure of ability to pay that is implied in the scale of assessments for the apportionment of the expenses of the United Nations as agreed by the General Assembly. A schedule indicating actual 1993 contributions to the Fund and the expected contribution for each country using the United Nations scale of assessments and a contribution base of $100 million is set out as annex III as such an indicative comparison.

13. Although the resources available in 1992 current terms were higher than in any previous year since the Environment Fund was established, in view of the increasing priority given by the world community to environmental matters it is relevant to establish the real value of the contributions.

14. Annex II provides a comparison between the current value and real value of contributions to the Environment Fund, taking 1973 as the base year. A conservative rate of 5 per cent has been used to discount for inflation. The figures show that although contributions started to grow in 1988, in real terms (at 5 per cent discount) the situation in 1992 was similar to that of 1976. In other words, the buying power of the resources received in 1992 is much the same as that of those received in 1976.

II. THE BIENNIUM 1992-1993

A. *Resources available during 1992*

15. Although contributions did not increase at the expected rate, 1992 saw improvement in the timing of actual payments. Sixty per cent of the estimated contributions were paid during the first half of the year. This undoubtedly helps in the planning of the use of resources, although it would be even more helpful if Governments could give prior notice of the likely date of payment so that this could be taken into account in the forward planning of commitments. Table 3 sets out the proportion of contributions received per quarter for the years 1989-1992 inclusive.

Table 3. Quarterly accumulated proportion of contributions received as a percentage of estimated annual contributions

	1989	1990	1991	1992
First quarter	10.7	21.4	30.4	16.5
Second quarter	53.4	47.1	39.3	60.0
Third quarter	76.2	66.1	67.0	88.0
Fourth quarter	97.4	95.0	96.0	98.1

16. Pledged or estimated contributions totalling $2,156,465 in respect of years 1988-1992 were outstanding as at 31 December 1992. Given past experience, it seems likely that most of this sum will be paid during 1993, but a small part will probably not be paid at all. As has been the practice in recent years, it is proposed to write off contributions outstanding for more than four years and any small sums outstanding for the years 1988-1989 will be written off at the end of 1993.

17. In October 1992, UNEP received a contribution of $323,820.01 from the Japan Broadcasting Corporation. Rule 203.3 of the Financial Rules governing the Fund of the United Nations Environment Programme provides that voluntary contributions from non-governmental sources in excess of $100,000 shall be accepted only with the prior approval of the Governing Council. Accordingly, the Executive Director is seeking the Council's authorization for the above contribution to be accepted.

18. Although final details of the Fund's resources and their use in 1992 must await the completion of the financial accounts shortly before the seventeenth session of the Governing Council, table 4 provides a provisional picture of the total resources available in the Environment Fund in 1992.

Table 4. Estimated resources available to the Environment Fund in 1992
(Millions of United States dollars)

Balance of Fund brought forward from 1991 (including unpaid pledges)	35.41
Contributions paid by 31 December 1992	62.45
Estimated contributions unpaid as at 31 December 1992	1.20
Other income	(2.00)
Total resources	**97.06**

B. *Use of resources in 1992*

19. The lower than planned contributions in 1992 obliged the Executive Director to hold back commitments for the $30 million additional Fund programme approved by paragraph 11 of decision 16/44 and also to restrict the $150 million core programme until the contributions outlook was clearer. The claims on resources during 1992 are expected to be as follows:

	(Millions of United States dollars)
Programme and programme support costs, including new premises	19.63
Fund programme activities and programme reserve activities	50.07
Less underspending on Fund and reserve activities	(10.01)
Total expenditure	**59.69**

20. The flow and use of resources in 1992 together with projections for future years is set out in greater detail in annex I.

21. In decision 16/45, the Governing Council approved an initial appropriation of $35.24 million for the programme and programme support costs budget in 1992-1993, together with $3.49 million as a loan to the regular budget of the United Nations for the construction of new office accommodation and a supplementary appropriation of $2.1 million to be utilized only after all resources appropriated for fund programme and fund programme reserve activities had been allocated. Out of the initial $35.24 million, the Executive Director allocated $17.62 million for 1992. Final details by objects of expenditure will not be available until the accounts are issued at the end of March 1993, but provisional figures indicated that approximately $16.14 million was spent, leaving an unspent balance of $1.47 million. The Executive Director's report on programme and programme support costs (UNEP/GC.17/17) sets out revised estimates of expenditure in detail for the biennium 1992-1993. Because it was not possible to incur commitments against the additional programme of Fund activities approved under paragraph 11 of decision 16/44, it was also not possible to utilize the supplementary appropriation of $2.1 million for programme and programme support costs as set out in paragraph 6 of decision 16/45.

22. The Governing Council, by paragraph 10 of decision 16/44, apportioned an appropriation of $150 million for Fund programme activities, and approved an additional appropriation of $30 million to be used as and when additional resources become available. By paragraph 13 of that decision, a further $5 million was approved for Fund programme reserve activities.

23. The Executive Director approved an allocation of resources of $150 million for the core programme and $5 million for the Fund programme reserve but was very cautious when approving projects in 1992. During 1992, projects commitments were restricted to a total of $48.82 million for Fund programme activities and $1.25 million for the Fund programme reserve. In view of the lower than expected increase in contributions, the Executive Director informed the Committee of Permanent Representatives that he did not expect that the additional $30 million programme could be implemented. At the time of writing this report, it has become evident that because of the need to ensure an adequate cash balance at the end of 1993, the Fund programme for 1992-1993 as a whole seems likely to be restricted to $120 million.

24. A $120 million programme implies a 20 per cent reduction on the $150 million programme approved by Governing Council decision 16/44. In view of the shortfall of expected contributions, the Executive Director has decided to effectuate a 20 per cent cut in all subprogramme allocations; the resultant allocations are shown in table 5. The Executive Director still may use her authority, given by the Governing Council, to move resources between budget lines by up to 20 percent if she feels that there is a need to press ahead in particular subprogrammes where insufficient resources are available in the relevant budget line, specifically when urgent activities have been requested under Agenda 21.

Table 5. Environment Fund Programme 1992-1993: revised allocations

	Subprogramme/budget line	*Allocation* (Thousands of United States dollars)
1.	Atmosphere	5 600
2.	Water	7 072
3.	Terrestrial ecosystems	16 440
4.	Oceans	9 560
5.	Lithosphere	400
6.	Human settlements and the environment	2 680
7.	Human health and welfare	2 000
8.	Energy, industry and transportation	8 600
9.	Environmental assessment	22 440
10.	Environmental management measures	13 968
11.	Environmental awareness	15 600
12.	Technical and regional cooperation	15 640
	TOTAL	**120 000**

C. *Outlook for resources in 1993*

25. Although the Council approved a target of $100 million for 1992, it seems evident that this target will not be reached even in 1993. As at 31 December 1992, there were only 24 pledges of contributions for 1993 totalling $27.9 million. Nine pledges are at a higher level than 1992, nine are at the same level and six are at a lower level. Collectively, those countries have pledged $4.6 million more than they contributed in 1992.

26. Taking into account informal consultations with Governments and the trend of contributions, it is estimated that 53 countries that have not announced their contributions will pay a total of $37.1 million in 1993. Thus, the total of pledged and estimated contributions is set at $65 million, a sum which represents an increase of only 2.2 per cent over the 1992 estimated contributions of $63.6 million.

27. Accordingly, for planning purposes the Executive Director is working on the basis that the resources available for 1993 will be as follows:

	Millions of dollars
Balance of Fund brought forward from 1992 (including unpaid pledges)	37.38
Contributions for 1993	65.00
Other income	1.00
Total resources	**103.38**

D. *Planned use of resources in 1993*

28. On the basis of this estimate of resources, the Executive Director is planning their use as follows for 1993:

	Millions of dollars
Programme and programme support costs	19.10
Fund programme activities and programme reserve activities (including estimated delayed activities from 1992)	84.94
Less underspending in 1993	(16.99)
Total expenditure	**87.05**
Balance to be carried forward to 1994	**16.33**

29. As indicated above, the Executive Director has been very cautious in committing resources so far in 1992-1993, and it is estimated that the resources available would allow the implementation of a $120 million programme. Nevertheless, the Executive Director will only commit additional resources if sufficient funds are made available, taking into account the need for sufficient cash balances at the end of 1993 to finance the 1994 programme in the first few months of that year before the annual flow of contributions are deposited.

III. THE BIENNIUM 1994-1995

A. *The outlook for resources*

30. Although the Governing Council has recognized the need for a higher base of resources than the current one, and UNCED recommended that UNEP should be provided with additional resources, the Executive Director is planning the programme on the conservative assumption that contributions will increase at a rate of only 10 per cent per annum, resulting in total contributions of $71.50 million in 1994 and $78.65 million in 1995. This rate of growth implies that the 1992 $100 million target would only be reached by 1998. On the basis of this assumption, total resources for 1994-1995 are estimated as follows:

	Millions of dollars
Balance of Fund brought forward from 1993	16.33
Contributions for 1994-1995	150.15
Other income	2.00
Total resources	**168.48**

B. *Planned use of resources*

31. By paragraph 17 of its decision 16/44, the Governing Council requested the Executive Director to draw up a programme for Fund activities in 1994-1995 with a core programme of $160 million and a supplementary programme of $40 million.

32. The above projection of resources available would not allow the implementation of a $160 million core programme. Accordingly, in order to comply with the request of the Governing Council to prepare a core programme of $160 million while recognizing that resources may only be available to finance $130 million, the Executive Director is submitting for the consideration of the Council in document UNEP/GC.17/7 a core 1, highest priority, programme of $130 million, a core 2, lower priority, programme, of $30 million and a supplementary programme of $40 million. The Fund reserve is kept at the same level as for 1992-1993. On this basis, the following use of resources for 1994-1995 is proposed:

	Million of dollars
Programme and programme support costs	43.61
Fund programme activities (core, highest priority)	130.00
Fund programme reserve	5.00
Less: underspending	(16.20)
Total expenditures	**162.41**
Balance carried forward to 1996	**3.07**

33. Although the estimate of available resources would allow the implementation of the proposed programme, the balance to be carried forward to the next biennium, would on these projections be too low to support the programme during the first months of 1996. In that case and if there is a delay in the payments of contributions at the beginning of 1996, the Executive Director would utilize the financial reserve. It must, however, be recognized that the margin of error in following such a strategy is very small and if contributions do not increase faster than projected and if there is not some further increase in the timeliness of their repayment, some further restriction in the 1994-1995 programme may be inescapable.

34. The Executive Director is of the view that, in the light of the very positive decisions taken by UNCED relating to UNEP, she can expect an increase in the resources available over and above those projected in this document. Accordingly, the Executive Director is requesting that the Governing Council to approve, firstly, an appropriation for Fund programme activities of $130 million with a further appropriation of $5 million for the Fund programme reserve. Secondly, she is requesting the Governing Council to approve two further appropriations, one for $30 million, to cover priority activities that could not be implemented with the above resource estimates, and a second one for $40 million to support the additional programme approved in decision 16/44. The Executive Director will allocate funding to these activities only as and when additional resources become available. The proposed apportionment of these appropriations may be found in the report of the Executive Director containing the proposed programme of Fund activities for the biennium 1994-1995 (UNEP/GC.17/7).

35. The Executive Director is submitting to the Council proposals for the programme and programme support costs budget for 1994-1995 (UNEP/GC.17/17). That budget is financed from the Environment Fund and is a first charge on it. If approved in full, it will cost $43.61 million for the biennium and will represent 29 per cent of the contributions of $150.15 million assumed in paragraph 30 above.

C. *The Fund programme reserve*

36. In accordance with rule 209.3 of the financial rules of the Fund, a Fund programme reserve has been established "to meet unforseen needs, to finance unanticipated projects or phases of projects and to meet such other purposes as may be determined from time to time by the Governing Council". By paragraph 13 of decision 16/44 the Council approved the level of this reserve at $5 million for the biennium 1992-1993. The Executive Director proposes that this level be maintained for the biennium 1994-1995.

IV. THE BIENNIUM 1996-1997

37. Annex I on the flow and use of resources of the Fund through 1997 assumes a 10 per cent annual increase of contributions after 1993. If this proves correct, the total contributions to the Fund during 1996-1997 will be around $180 million. If the programme and programme support costs budget is provisionally established at $52 million for the biennium, then the Fund programme will have to be established at the same level as the biennium 1994-1995, and even the biennium 1992-1993, that is $130 million. In the view of the Executive Director such an assignment of resources to the Environment Fund does not follow the recommendations of UNCED.

38. The Executive Director requests guidance from the Council on the level of the programme that she should draw up for the biennium 1996-1997. This level will of course depend on the target set for contributions. On the assumption that the contributions would grow at 10 per cent per year, the following would be the resources available for that biennium:

	Millions of dollars
Balance of Fund brought forward from 1995 (including unpaid pledges)	6.07
Contributions paid during 1996-1997	181.65
Other income	2.00
Total resources	**189.72**

39. In line with the above estimate of resources which would be available for the biennium 1996-1997, the Executive Director proposes the following use of resources:

	Millions of dollars
Programme and programme support costs	52.00
Fund programme activities	130.00
Fund programme reserve	5.00
Less: underspending	(16.20)
Total expenditures	**170.80**
Balance carried over to 1998	**18.92**

40. By paragraph 16 of its decision 16/44 the Council authorized the Executive Director to enter into forward commitments not exceeding $20 million for Fund programme activities in 1994-1995. As at 31 December 1991, $1 million have been committed. The Council is requested to give the Executive Director the sam authority to enter into forward commitments up to $20 million for the biennium 1996-1997

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Annex I

FLOW AND USE OF RESOURCES OF THE FUND THROUGH 1997

(December 1992)

	1991 Actual	1992 Estimate	1993 Estimate	1994 Projection	1995 Projection	1996 Projection	1997 Projection
	(Millions of United States dollars)						
RESOURCES							
(a) Balance of Fund on 1 January	37.10	35.41	37.37	16.33	13.03	6.07	13.57
(b) Contributions paid by 30 December 1992	58.80	62.45	0.04	0.00	0.00	0.00	0.00
(c) Estimated contributions due for years shown	0.20	1.20	64.97	71.50	78.65	86.50	95.15
(d) Miscellaneous income	2.56	-2.00	1.00	1.00	1.00	1.00	1.00
TOTAL RESOURCES	98.66	97.06	103.38	88.83	92.68	93.57	109.72
CLAIMS ON RESOURCES							
(e) Programme and programme support costs*	14.86	16.14	19.10	21.80	21.81	26.00	26.00
(f) - Fund programme activities	32.32	48.82	80.94	65.00	78.00	65.00	78.00
(g) - Fund programme reserved activities	1.92	1.25	4.00	2.50	3.00	2.50	3.00
(h) - Additional programme	11.64	0.00	0.00	0.00	0.00	0.00	0.00
(i) Project commitments to be cancelled or rephased to later years	0.00	-10.01	-16.99	-13.50	- 16.20	-13.50	- 16.20
(j) Total project expenditure (f+g+h+i)	45.88	40.06	67.96	54.00	64.80	54.00	64.80
(k) New premises expenditures	2.51	3.49	0.00	0.00	0.00	0.00	0.00
(l) TOTAL CLAIMS (e+j+k)	63.25	59.69	87.06	75.80	86.61	80.00	90.80
BALANCE OF FUND ON 31 DECEMBER	35.41	37.37	16.33	13.03	6.07	13.57	18.92

* Excluding cost of new premises

Notes: Biennial Environment Fund programmes set at:

1992-1993: $120 million
1994-1995: $130 million
1996-1997: $130 million
Estimated contributions for 1993: $65.0 million
Annual growth in contributions 1994-1997: 10%

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Annex II

CURRENT AND REAL VALUE OF CONTRIBUTIONS
TO THE ENVIRONMENT FUND

1973-1992

(Millions of United States dollars)

Year	Current value		Real value*	
	Environment Fund	Regular budget	Environment Fund	Regular budget
1973	6.56	1.75	6.56	1.75
1974	17.78	2.46	17.78	2.46
1975	16.86	2.43	15.29	2.20
1976	27.93	2.89	24.13	2.50
1977	29.05	3.11	23.90	2.56
1978	28.48	3.71	22.31	2.91
1979	31.83	4.33	23.75	3.23
1980	26.83	5.58	19.07	3.97
1981	35.55	5.33	24.06	3.61
1982	30.33	5.75	19.55	3.71
1983	27.82	5.23	17.08	3.21
1984	22.34	5.11	13.06	2.99
1985	36.32	4.88	20.22	2.72
1986	29.38	3.98	15.58	2.11
1987	31.90	5.05	16.11	2.55
1988	34.00	4.54	16.35	2.18
1989	38.58	5.63	17.67	2.58
1990	51.64	4.68	22.53	2.04
1991	59.38	6.16	24.67	2.56
1992	63.66	6.37	25.19	2.52

Annex III

COMPARISON BETWEEN THE LEVEL OF CONTRIBUTIONS CALCULATED BY APPLYING UNITED NATIONS SCALE OF ASSESSMENTS TO A TARGET OF $100 MILLION AND CONTRIBUTIONS ACTUALLY PAID TO THE ENVIRONMENT FUND FOR 1992

	Country	Expected contribution based on United Nations scale of assessments and target of $100 million		Actual 1992 contribution	
		(%)	($)	($)	(%)
A.	*United Nations Member States*				
1	Afghanistan	0.01	10,000	0	0.000
2	Albania	0.01	10,000	0	0.000
3	Algeria	0.16	160,000	0	0.000
4	Angola	0.01	10,000	0	0.000
5	Antigua and Barbuda	0.01	10,000	0	0.000
6	Argentina	0.57	570,000	70,000	0.114
7	Armenia	0.13	130,000	0	0.000
8	Australia	1.51	1,510,000	829,464	1.350
9	Austria	0.75	750,000	442,478	0.720
10	Azerbaijan	0.22	220,000	0	0.000
11	Bahamas	0.02	20,000	0	0.000
12	Bahrain	0.03	30,000	5,235	0.009
13	Bangladesh	0.01	10,000	2,550	0.004
14	Barbados	0.01	10,000	1,350	0.002
15	Belarus	0.48	480,000	0	0.000
16	Belgium	1.06	1,060,000	382,537	0.623
17	Belize	0.01	10,000	0	0.000
18	Benin	0.01	10,000	0	0.000
19	Bhutan	0.01	10,000	600	0.001
20	Bolivia	0.01	10,000	0	0.000
21	Bosnia and Hercegovina	0.04	40,000	0	0.000
22	Botswana	0.01	10,000	4,366	0.007
23	Brazil	1.59	1,590,000	20,000	0.033
24	Brunei Darussalam	0.03	30,000	0	0.000
25	Bulgaria	0.13	130,000	1,639	0.003
26	Burkina Faso	0.01	10,000	0	0.000
27	Burundi	0.01	10,000	5,198	0.008
28	Cambodia	0.01	10,000	0	0.000
29	Cameroon	0.01	10,000	0	0.000
30	Canada	3.11	3,110,000	866,142	1.410
31	Cape Verde	0.01	10,000	0	0.000
32	Central African Republic	0.01	10,000	0	0.000
33	Chad	0.01	10,000	0	0.000
34	Chile	0.08	80,000	5,000	0.008
35	China	0.77	770,000	114,200	0.186
36	Colombia	0.13	130,000	35,000	0.057
37	Comoros	0.01	10,000	0	0.000
38	Congo	0.01	10,000	0	0.000
39	Costa Rica	0.01	10,000	0	0.000
40	Cote d'Ivoire	0.02	20,000	0	0.000
41	Croatia	0.13	130,000	0	0.000
42	Cuba	0.09	90,000	0	0.000
43	Cyprus	0.02	20,000	3,000	0.005
44	Czechoslovakia a/	0.55	550,000	30,621	0.050

	Country	Expected contribution based on United Nations scale of assessments and target of $100 million		Actual 1992 contribution	
		(%)	($)	($)	(%)
45	Democratic Republic of Korea	0.05	50,000	0	0.000
46	Denmark	0.65	650,000	976,309	1.589
47	Djibouti	0.01	10,000	0	0.000
48	Dominica	0.01	10,000	0	0.000
49	Dominican Republic	0.02	20,000	0	0.000
50	Ecuador	0.03	30,000	0	0.000
51	Egypt	0.07	70,000	6,042	0.010
52	El Salvador	0.01	10,000	0	0.000
53	Equiatorial Guinea	0.01	10,000	0	0.000
54	Estonia	0.07	70,000	0	0.000
55	Ethiopia	0.01	10,000	0	0.000
56	Fiji	0.01	10,000	0	0.000
57	Finland	0.57	570,000	3,938,648	6.411
58	France	6.00	6,000,000	2,004,008	3.262
59	Gabon	0.02	20,000	6,000	0.010
60	Gambia	0.01	10,000	0	0.000
61	Georgia	0.21	210,000	0	0.000
62	Germany	8.93	8,930,000	5,774,436	9.399
63	Ghana	0.01	10,000	0	0.000
64	Greece	0.35	350,000	11,189	0.018
65	Grenada	0.01	10,000	0	0.000
66	Guatemala	0.02	20,000	0	0.000
67	Guinea	0.01	10,000	0	0.000
68	Guinea Bissau	0.01	10,000	0	0.000
69	Guyana	0.01	10,000	10,000	0.016
70	Haiti	0.01	10,000	0	0.000
71	Honduras	0.01	10,000	0	0.000
72	Hungary	0.18	180,000	44,010	0.072
73	Iceland	0.03	30,000	5,145	0.008
74	India	0.36	360,000	100,000	0.163
75	Indonesia	0.16	160,000	15,000	0.024
76	Iran (Islamic Republic of)	0.77	770,000	30,000	0.049
77	Iraq	0.13	130,000	0	0.000
78	Ireland	0.18	180,000	101,910	0.166
79	Israel	0.23	230,000	0	0.000
80	Italy	4.29	4,290,000	2,144,389	3.491
81	Jamaica	0.01	10,000	932	0.002
82	Japan	12.45	12,450,000	8,000,000	13.022
83	Jordan	0.01	10,000	10,000	0.016
84	Ka akhstan	0.35	350,000	0	0.000
85	Kenya	0.01	10,000	50,315	0.082
86	Kuwait	0.25	250,000	200,000	0.326
87	Kyrgy stan	0.06	60,000	0	0.000
88	Lao People's Democratic Republic	0.01	10,000	2,000	0.003
89	Latvia	0.13	130,000	0	0.000
90	Lebanon	0.01	10,000	0	0.000
91	Lesotho	0.01	10,000	0	0.000
92	Liberia	0.01	10,000	0	0.000
93	Libya	0.24	240,000	0	0.000
94	Liechtenstein	0.01	10,000	0	0.000

	Country	Expected contribution based on United Nations scale of assessments and target of $100 million		Actual 1992 contribution	
		(%)	($)	($)	(%)
95	Lithuania	0.15	150,000	0	0.000
96	Luxembourg	0.06	60,000	33,378	0.054
97	Madagascar	0.01	10,000	0	0.000
98	Malawi	0.01	10,000	1,974	0.003
99	Malaysia	0.12	120,000	20,000	0.033
100	Maldives	0.01	10,000	0	0.000
101	Mali	0.01	10,000	0	0.000
102	Malta	0.01	10,000	0	0.000
103	Marshall Islands	0.01	10,000	0	0.000
104	Mauritania	0.01	10,000	0	0.000
105	Mauritius	0.01	10,000	4,617	0.008
106	Mexico	0.88	880,000	3,900	0.006
107	Micronesia (Federated States of)	0.01	10,000	0	0.000
108	Moldova (Republic of)	0.15	150,000	0	0.000
109	Mongolia	0.01	10,000	1,000	0.002
110	Morocco	0.03	30,000	10,000	0.016
111	Mozambique	0.01	10,000	0	0.000
112	Myanmar	0.01	10,000	0	0.000
113	Namibia	0.01	10,000	0	0.000
114	Nepal	0.01	10,000	0	0.000
115	Netherlands	1.50	1,500,000	1,879,695	3.060
116	New Zealand	0.24	240,000	0	0.000
117	Nicaragua	0.01	10,000	500	0.001
118	Niger	0.01	10,000	0	0.000
119	Nigeria	0.20	200,000	32,000	0.052
120	Norway	0.55	550,000	2,803,813	4.564
121	Oman	0.03	30,000	10,000	0.016
122	Pakistan	0.06	60,000	5,000	0.008
123	Panama	0.02	20,000	4,000	0.007
124	Papua New Guinea	0.01	10,000	0	0.000
125	Paraguay	0.02	20,000	0	0.000
126	Peru	0.06	60,000	0	0.000
127	Philippines	0.07	70,000	5,000	0.008
128	Poland	0.47	470,000	99,861	0.163
129	Portugal	0.20	200,000	0	0.000
130	Qatar	0.05	50,000	10,000	0.016
131	Republic of Korea	0.69	690,000	15,000	0.024
132	Romania	0.17	170,000	1,923	0.003
133	Russian Federation	6.71	6,710,000	0	0.000
134	Rwanda	0.01	10,000	0	0.000
135	St. Kitts & Nevis	0.01	10,000	0	0.000
136	St. Lucia	0.01	10,000	3,000	0.005
137	St. Vincent & the Grenadines	0.01	10,000	0	0.000
138	Samoa	0.01	10,000	0	0.000
139	San Marino	0.01	10,000	0	0.000
140	Sao Tome & Principe	0.01	10,000	0	0.000
141	Saudi Arabia	0.96	960,000	250,000	0.407
142	Senegal	0.01	10,000	0	0.000
143	Seychelles	0.01	10,000	600	0.001
144	Sierra Leone	0.01	10,000	0	0.000

	Country	Expected contribution based on United Nations scale of assessments and target of $100 million		Actual 1992 contribution	
		(%)	($)	($)	(%)
145	Singapore	0.12	120,000	1,000	0.002
146	Slovenia	0.09	90,000	0	0.000
147	Solomon Islands	0.01	10,000	0	0.000
148	Somalia	0.01	10,000	0	0.000
149	South Africa	0.41	410,000	0	0.000
150	Spain	1.98	1,980,000	862,995	1.405
151	Sri Lanka	0.01	10,000	0	0.000
152	Sudan	0.01	10,000	0	0.000
153	Suriname	0.01	10,000	0	0.000
154	Swaziland	0.01	10,000	13,612	0.022
155	Sweden	1.11	1,110,000	3,613,963	5.883
156	Syria	0.04	40,000	0	0.000
157	Tajikistan	0.05	50,000	0	0.000
158	Thailand	0.11	110,000	10,000	0.016
159	Togo	0.01	10,000	0	0.000
160	Trinidad & Tobago	0.05	50,000	4,235	0.007
161	Tunisia	0.03	30,000	15,180	0.025
162	Turkey	0.27	270,000	12,150	0.020
163	Turkmenistan	0.06	60,000	0	0.000
164	Uganda	0.01	10,000	0	0.000
165	Ukraine	1.87	1,870,000	0	0.000
166	United Arab Emirates	0.21	210,000	0	0.000
167	United Kingdom	5.02	5,020,000	8,253,000	13.434
168	United Republic of Tanzania	0.01	10,000	8,495	0.014
169	United States of America	25.00	25,000,000	17,124,000	27.874
170	Uruguay	0.04	40,000	10,000	0.016
171	Uzbekistan	0.26	260,000	0	0.000
172	Vanuatu	0.01	10,000	0	0.000
173	Venezuela	0.49	490,000	54,382	0.089
174	Viet Nam	0.01	10,000	0	0.000
175	Yemen	0.01	10,000	5,454	0.009
176	Yugoslavia	0.16	160,000	0	0.000
177	Zaire	0.01	10,000	0	0.000
178	Zambia	0.01	10,000	0	0.000
179	Zimbabwe	0.01	10,000	0	0.000
	TOTAL A	100.00	100,000,000	61,433,441	100.000
B.	*Non-member States*				
180	Switzerland b/	1.16	1,160,000	2,181,818	3.552
	TOTAL A + B	101.16	101,160,000.00	63,615,259	103.552

a/ Czechoslovakia ceased to exist as of 1 January 1993. The General Assembly has yet to decide on the assessment rates for its two successor States, the Czech Republic and Slovakia, which are now Members of the United Nations.

b/ Although Switzerland is not a Member of the United Nations, it contributes to the Environment Fund.

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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

THE ENVIRONMENT FUND: USE OF RESOURCES IN 1992-1993 AND PROPOSED USE OF PROJECTED RESOURCES IN 1994-1995 AND 1996-1997

Report of the Executive Director

Addendum

Summary

The present addendum updates figures set out in the report of the Executive Director on the use of the Environment Fund in 1992-1993 and the proposed use of projected resources in 1994-1995 and 1996-1997 (UNEP/GC.17/16). Two alternative financial scenarios for the proposed use of projected resources in 1994-1995 and 1996-1997 are presented for consideration: the first (scenario A) assums that contributions will stand at $ 65 million a year throughout the period 1994 to 19976, while the second (scenario B) assumes contributions of $ 70 million in 1994 and 1995, increasing by $ 5 million a year thereafter.

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* Refers to the number of the item on the provisional agenda (UNEP/GC.17/1).

I. THE FIRST YEAR OF THE BIENNIUM 1992-1993

A. *Resources available during 1992*

1. As at 31 March 1993, estimated contributions to the Environment Fund in 1992 as at 31 March 1993 added up to $62.84 million, of which $61.61 million had been paid and $1.23 million unpaid.

B. *Use of resources in 1992*

2. Final expenditures in 1992 and the resources carried forward to 1993 were as follows:

	(Millions of United States dollars)
Programme and programme support costs (excluding loan regular budget)	15.76
Loan to regular budget for new premises	3.49
Fund programme activities and reserve activities	37.39
Total expenditure	**56.64**
Balance carried forward to 1993	43.38

3. Excluding the loan to the regular budget for the construction of new premises, expenditure in 1992 on programme and programme support costs (PPSC) was recorded in UNEP accounts as $15.76 million, compared with the allocation of $17.62 million (UNEP/GC.17/16, paragraph 21). This expenditure was 25 per cent of the pledges for 1992 of $62.84 million. Inclusive of the loan, the percentage would be 30.6.

II. THE SECOND YEAR OF THE BIENNIUM 1992-1993

A. *The outlook for resources in 1993*

4. By the end of March 1993, 33 pledges of contributions totalling $32.87 million had been pledged and paid to the Environment Fund for 1993, a further $5.42 million had been pledged but not paid, and estimates for countries that had not yet made a formal pledge amounted to $ 25.66 million, making a total of pledged and estimated contributions of $63.95 million. Recent changes in exchange rates of exchange have meant that contributions denominated in local currencies provide the Fund with less United States dollars than previously estimated.

5. The Executive Director has revised the estimate of total resources available in 1993 as follows:

	(Millions of United States dollars)
Balance of Fund as at 1 January 1993	43.38
Estimated contributions for 1993	63.95
Other income	1.00
Total resources	**108.33**

B. *The planned use of resources in 1993*

6. PPSC expenditures of $ 15.76 million in 1992 (excluding the loan to the regular budget) left a balance of $ 18.57 million available from the proposed revised appropriation of $34.33 million for the biennium 1992-1993 (see UNEP/GC17/17, table 3). This level of expenditures would be equivalent to 29 per cent of the estimated contributions of $63.95 million for 1993.

7. As noted elsewhere by the Executive Director (UNEP/GC.17/16 paragraph 24), the level of the Environment Fund programme for the biennium 1992-1993 had been revised downwards to $120 million. (The Fund programme reserve was held at its approved level of $ 5 million). The recorded expenditures of $ 36.31 million for Fund programme activities and $ 1.08 million for Fund programme reserve left balances of $83.69 million and $3.92 million respectively for spending in 1993.

8. Accordingly, as shown in annexes I and II, the projected use of resources for 1993 would be as follows:

	(Millions of United States dollars)
Programme and programme support costs	18.57
Fund programme activities	83.69
Fund programme reserve activities	3.92
Less underspending	-17.52
Total resources	**88.66**
Balance to be carried forward to 1994	**19.67**

III. THE BIENNIUMS 1994-1995 AND 1996-1997

A. *The outlook for resources*

9. Planning of the programme for 1994-1995 and 1996-1997 is dependent upon the projected level of contributions to the Environment Fund. Based on discussions in the Committee of Permanent Representatives, the Executive Director submits to the Council two alternative scenarios in annexes I and II.

10. Annex I assumes that contributions are $65 million in all four years 1994 to 1997. If this were the case, total resources for 1994-1995 and 1996-1997 are estimated as follows:

	1994-1995	1996-1997
	(Millions of United States dollars)	
Balance of Fund brought forward from previous biennium	19.67	15.66
Contributions	130.00	130.00
Other income	2.00	2.00
Total resources	**151.67**	**147.66**

10. Annex II assumes contributions of $70 million both in 1994 and 1995 with increases of $5 million per year thereafter. With this scenario, total resources are estimated as follows:

	1994-1995	1996-1997
	(Millions of United States dollars)	
Balance of Fund brought forward from previous biennium	19.67	8.06
Contributions	140.00	155.00
Other income	2.00	2.00
Total resources	**161.67**	**165.06**

B. *Planned use of resources*

12. The PPSC budget presented in the Executive Director's report on the sbuject (UNEP/GC.17/17) has been prepared under the "zero growth" assumption, except for the proposed provision for staff training and only takes into account projected inflation.

13. On this basis, as shown in annex I, a level of contributions of $65 million per year would allow the implementation of only a $100 million programme in both 1994-1995 and 1996-1997 with a run down of end-year balances over this four year period. The projected use of resources for 1994-1995 and 1996-1997 under this assumption would be:

	1994-1995	1996-1997
	(Millions of United States dollars)	
Programme and programme support costs	43.61	46.95
Programme activities	100.00	100.00
Fund programme reserve activities	5.00	5.00
Less underspending	-12.60	-12.60
Total expenditures	**136.01**	**139.35**
Balance to be carried over to next biennium	**15.66**	**8.32**

14. Annex 2 shows that contributions of $70 million both in 1994 and 1995 and yearly increases of $5 million in 1996 and 1997 would be necessary to keep the Fund programme at a $120 million level. Under these assumptions, the projected use of resources for 1994-1995 and 1996-1997 would be:

	1994-1995	1996-1997
	(Millions of United States dollars)	
Programme and programme support costs	43.61	46.95
Fund Programme activities	120.00	120.00
Fund programme reserve activities	5.00	5.00
Less underspending	-15.00	-15.00
Total expenditures	**153.61**	**156.95**
Balance to be carried over to next biennium	**8.06**	**8.12**

Annex I

FLOW AND USE OF RESOURCES OF THE FUND THROUGH 1997: SCENARIO A*
(March 1993)
(Millions of United States dollars)

	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Projection	1995 Projection	1996 Projection	1997 Projection
			Env. Fund prog.: $120m		Env. Fund prog.: $100m		Env. Fund prog.: $100m	
RESOURCES								
(a) Balance of Fund on 1 January	30.55	37.10	35.41	43.38	19.67	21.87	15.66	16.76
(b) Contributions paid by 31 March 1993	51.82	58.80	61.61	32.87	0.00	0.00	0.00	0.00
(c) Estimated contributions due for years shown	0.16	0.20	1.23	31.08	65.00	65.00	65.00	65.00
(d) Miscellaneous income	-3.48	2.56	1.77	1.00	1.00	1.00	1.00	1.00
TOTAL RESOURCES	**79.05**	**98.66**	**100.02**	**108.33**	**85.67**	**87.87**	**81.66**	**82.76**
CLAIMS ON RESOURCES								
(e) Programme and programme support costs**	13.09	14.86	15.76	18.57	21.80	21.81	22.90	24.05
(f) Fund programme activities	23.49	32.32	36.31	83.69	50.00	60.00	50.00	60.00
(g) Fund programme reserve activities	1.00	1.92	1.08	3.92	2.50	3.00	2.50	3.00
(h) Additional Programme	4.37	11.64	0.00	0.00	0.00	0.00	0.00	0.00
(i) Project commitments to be cancelled or rephased to later years	0.00	0.00	0.00	-17.52	-10.50	-12.60	-10.50	-12.60
(j) Total project expenditure (f+g+h+i)	28.86	45.88	37.39	70.09	42.00	50.40	42.00	50.40
(k) New premises expenditures	0.00	2.51	3.49	0.00	0.00	0.00	0.00	0.00
(l) TOTAL CLAIMS (e+j+k)	**41.95**	**63.25**	**56.64**	**88.66**	**63.80**	**72.21**	**64.90**	**74.45**
BALANCE OF FUND ON 31 DECEMBER	**37.10**	**35.41**	**43.38**	**19.67**	**21.87**	**15.66**	**16.76**	**8.32**

* Assumes contributions of $65 within a year throughout the period 1994-1997.

** Excluding cost of new premises.

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Annex II

FLOW AND USE OF RESOURCES OF THE FUND THROUGH 1997 SCENARIO B*
(March 1993)
(Millions of United States dollars)

	1990 Actual	1991 Actual	1992 Actual	1993 Estimate	1994 Projection	1995 Projection	1996 Projection	1997 Projection
			Env. Fund prog $120m		Env. Fund prog $120m		Env. Fund prog $120m	
RESOURCES								
(a) Balance of Fund on 1 January	30.55	37.10	35.41	43.38	19.67	18.87	8.06	11.16
(b) Contributions paid by 31 March 1993	51.82	58.80	61.61	32.87	0.00	0.00	0.00	0.00
(c) Estimated contributions due for years shown	0.16	0.20	1.23	31.08	70.00	70.00	75.00	80.00
(d) Miscellaneous income	3.48	2.56	1.77	1.00	1.00	1.00	1.00	1.00
TOTAL RESOURCES	**79.05**	**98.66**	**100.02**	**108.33**	**90.67**	**89.87**	**84.06**	**92.16**
CLAIMS ON RESOURCES								
(e) Programme and programme support costs**	13.09	14.86	15.76	18.57	21.80	21.81	22.90	24.05
(f) Fund programme activities	23.49	32.32	36.31	83.69	60.00	72.00	60.00	72.00
(g) Fund programme reserve activities	1.00	1.92	1.08	3.92	2.50	3.00	2.50	3.00
(h) Additional programme	4.37	11.64	0.00	0.00	0.00	0.00	0.00	0.00
(i) Project commitments to be cancelled or rephased to later years	0.00	0.00	0.00	-17.52	-12.50	-15.00	-12.50	-15.00
(j) Total project expenditure (f+g+h+i)	28.86	45.88	37.39	70.09	50.00	60.00	50.00	60.00
(k) New premises expenditures	0.00	2.51	3.49	0.00	0.00	0.00	0.00	0.00
(l) TOTAL CLAIMS (e+j+k)	**41.95**	**63.25**	**56.64**	**88.66**	**71.80**	**81.81**	**72.90**	**84.05**
BALANCE OF FUND ON 31 DECEMBER	**37.10**	**35.41**	**43.38**	**19.67**	**18.87**	**8.06**	**11.16**	**8.12**

* Assumes contributions of $70 million in 1994 and 1995, rising by $5 million a year thereafter.

** Excluding cost of new premises.

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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGET OF THE ENVIRONMENT FUND: REVISED ESTIMATES FOR THE BIENNIUM 1992-1993 AND PROPOSED BUDGET FOR THE BIENNIUM 1994-1995

Report of the Executive Director

Summary

Chapter one of the present report reviews the implementation of the approved programme and programme support costs (PPSC) budget for the biennium 1992-1993 as at 31 December 1992, and proposes revisions to the PPSC budget in the light of implementation up to that date. Chapters two and three describe the policy and methodology used by the Executive Director in drawing up proposals for the PPSC budget for the biennium 1994-1995, and explain the proposals themselves.

Suggested action by the Governing Council

The Governing Council,

Recalling paragraph 5 of its decision 16/45 of 31 May 1991, by which it approved an initial appropriation of $37,129,000 for the programme and programme support costs budget for the biennium 1992-1993, including $1,888,900, on a loan basis, towards the construction of new office accommodation,

Further recalling paragraph 6 of its decision 16/45 of 31 May 1991 by which it approved a further supplementary appropriation of $3,701,600, including $1,601,100 on a loan basis towards construction of new office accommodation, and $2,100,500 to be used by the Executive Director for the creation of new posts if and when sufficient resources became available to permit allocations for Fund programme and Fund programme reserve activities in the amount of $185 million,

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

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Having considered the performance report on the programme and programme support costs budget for the biennium 1992-1993 as well as the proposed budget for the biennium 1994-1995, as set out in the Executive Director's report, together with the related comments of the Advisory Committee on Administrative and Budgetary Questions,

1. *Takes note* of the performance report on the programme and programme support costs budget for the biennium 1992-1993 and the related report of the Advisory Committee on Administrative and Budgetary Questions;

2. *Notes* that the Executive Director was able to contain the programme and programme support costs in 1992 within the yardstick established in paragraph 2 of Governing Council decision 12/19 of 28 May 1984 of 33 per cent of estimated contributions and that the Executive Director will endeavour to do so in 1993;

3. *Approves* revised appropriations of $37,818,600 for the programme and programme support costs budget for 1992-1993, including $3,490,000 on a loan basis towards the construction of new office accommodation, with the revised distribution by programme and object of expenditure proposed by the Executive Director;

4. *Approves* an initial appropriation of $43,612,300 for the programme and programme support costs budget for the biennium 1994-1995 with the expenditure pattern by programme and object of expenditure proposed in those estimates;

5. *Approves* a supplementary appropriation for programme and programme support costs of $4,207,500 towards the creation of new posts as follows:

(a) Office of the Environment Programme: One D-1 (environmental economics); five P-5 (atmosphere, soils, human health, energy and environmental economics); three P-4 (water, biodiversity and environmental training) and 10 local-level posts;

(b) Conferences and Governing Council Service: Transfer of six P-4, one P-2 and 15 local-level posts from Fund programme activities to the programme and programme support costs budget;

(c) Administrative Service: One D-1, one P-4, two P-3 and four local-level posts to strengthen the electronic data-processing and management information system units;

6. *Decides* that the supplementary appropriation of $4,207,500 can only be utilized after the following allocations for Fund programme and Fund programme reserve activities have been made:

	Millions of dollars
Programme of Fund activities	160.00
Fund programme reserve	5.00
Additional programme of Fund activities	40.00
Total	205.00

7. *Requests* the Executive Director to administer the appropriation for the programme and programme support costs budget for the biennium 1994-1995 with utmost economy and restraint consistent with the effective implementation of the environment programme, bearing in mind the availability of resources;

8. *Further requests* the Executive Director to report to the Governing Council at its eighteenth regular session on the implementation of the programme and programme support costs budget during the first year of the biennium 1994-1995.

I. REVISED PPSC BUDGET ESTIMATES FOR THE BIENNIUM 1992-1993

Introduction

1. The Governing Council, in its decision 16/45, paragraphs 5 and 6, approved initial and supplementary appropriations of $37,129,000 and $3,701,600, respectively, for the PPSC budget for the biennium 1992-1993. *The initial appropriation included $1,888,900*, on a loan basis, towards the construction of new office accommodation. The supplementary appropriation included $1,601,100 for a loan to the regular budget for the construction of new office accommodation, and $2,100,500 to be used by the Executive Director for the creation of new posts only if and when sufficient resources became available to permit allocations for Fund programme and Fund programme reserve activities in the amount of $185 million. As sufficient resources did not become available, the additional appropriations of $2,100,500 could not be used. Therefore, the total appropriations covered by the present report, amount to $38,730,100.

2. Expenditures for 1992 are estimated at $19,227,954, including the loan of $3,490,000 for the construction of accommodation. The projected requirements for 1993 amount to $18,590,646 The revised estimated requirements for the biennium 1992-1993 therefore amount to $37,818,600.

Exchange rate fluctuations and inflation

3. A net reduction of $911,500 is foreseen against appropriations of $37,818,600 (see Table 1, Annex I). This reduction consists of gains due to exchange rate fluctuations ($4,548,700), as explained in paragraph 4 below, offset by higher rates of inflation than anticipated ($1,454,600 of which $1,049,300 is accounted for by common staff costs) and by other changes amounting to $2,182,600. Tables 2 and 3 provide a breakdown of the net reduction by programme and object of expenditure.

4. The depreciation of the Kenya shilling (Ksh) against the dollar is expected to result in savings of $4,365,600. The original budget estimates were based on an exchange rate of Ksh. 23 to the dollar, whereas the average rate of exchange in 1992 was Ksh. 31.63. In preparing the revised estimates for 1993, the December 1992 United Nations operational rate of Ksh. 35.70 to the dollar was applied. A further gain of $183,100 is expected from exchange rate fluctuations in respect of the regional offices. Therefore, the total gain resulting from exchange rate fluctuations is estimated at $4,548,700.

Other changes

5. Increased requirements under temporary assistance ($289,500) are due to a heavier than anticipated workload in the regional offices. The increase in respect of consultants results primarily from the hiring of management consultants to review the organization and management of UNEP as requested by the Governing Council in its decision 16/6.

6. The increase under general operating expenses ($237,600) of liaison and regional offices is due essentially to the move of the Regional Office for Latin America and the Caribbean to new premises, which has occasioned one-time costs. However, economies are anticipated in the long run, as the rent of the new premises is lower than the previous rent.

7. The increase under rental and maintenance of premises ($18,400) is due to the need to rent space outside Gigiri pending completion of the new buildings.

8. The increase under communications results from greater usage of communications facilities than anticipated. The increases under supplies and furniture and equipment are due to the need to purchase telephone equipment following the installation of a modern switchboard.

II. PROPOSED PPSC BUDGET FOR THE BIENNIUM 1994-1995

Introduction

9. The cost of servicing the Governing Council of the United Nations Environment Programme and providing the part of the Secretariat which serves as a focal point for environment matters within the United Nations system should, under the terms of the General Assembly resolution 2997 (XXVII), be borne by the regular budget of the United Nations. Other secretariat costs should be borne by the Environment Fund (hereinafter referred to as "the Fund"), through what is termed the programme and programme support costs (PPSC) budget.

10. The costs financed under the United Nations regular budget will form part of the proposed programme budget for the biennium 1994-1995, to be submitted by the Secretary-General to the General Assembly at its forty-eighth session. They are not considered further in the present document.

11. In accordance with rule 210.3 of the Financial Rules of the Fund, the PPSC budget estimates must first be submitted to the Advisory Committee on Administrative and Budgetary Questions (ACABQ) for examination and comment. The report of ACABQ will be made available to the Council shortly before the seventeenth session.

1. Budget policy

12. The proposed PPSC budget for 1994-1995 has been drawn up to remain within 33 per cent of projected contributions for 1994 and 1995. In terms of resources, it contains no significant changes from the budget approved for 1992-1993 other than provision for the resumption of rent payment in 1995, following repayment of the loan approved for the construction of new accommodation, and provision for the establishment and implementation of a training and development programme for staff at all levels. As the conditions set forth by the Council for the creation of 20 professional and 29 local-level posts in 1992-1993 were not met, the proposal for the creation of these posts is being reiterated, also on a conditional basis.

13. The costing of posts is based on the assumption that, on average, five per cent of the posts at the Professional level and 0.5 per cent at the local level would be vacant during the biennium.

14. The proposed appropriations for 1994-1995 amount to $43,612,300. This represents 29.1 per cent of the estimated contributions of $150 million to the Environment Fund for 1994 and 1995.

2. Methodology used in preparing the budget estimates

15. To arrive at the estimates for the 1994-1995 PPSC budget, a maintenance base was first established for 1992-1993 programmes at prices and average exchange rates projected for 1993 (see Annex II). All approved posts in the 1992-1993 budget under the initial appropriations were recosted at the projected standard salary and common staff costs, using the assumed turnover factors in paragraph 13 above. All 1992 non-salary expenditures were recosted at 1993 prices. Thus, the additional requirements were established for maintenance of 1992-1993 programmes at 1993 prices.

16. The estimated additional requirements for 1994-1995 comprise the following:

(a) Increases or decreases resulting from revaluation of the 1992-1993 resource base;

(b) Proposed resource growth;

(c) Increases relating to the effect on both (a) and (b) above of anticipated further inflation in 1994 and 1995, on the basis of inflation rates indicated in the Annex.

17. A number of changes have been introduced into the methodology used in the preparation and presentation of the budget. This has been done to reflect changes being introduced in respect of the United Nations regular budget. Non-recurrent items are no longer taken into account in the revaluation of the resource base and the calculation of growth. Provisions for new posts are now made on the same basis as for continuing posts, and no longer on a partial basis.

III. BUDGET PROPOSALS FOR 1994-1995

18. The proposed PPSC budget for 1994-1995 contains the following main changes compared with the appropriation approved for the biennium 1992-1993:

- A request for additional funds ($1,400,000) for resumption of payment of rent for UNEP office space in Gigiri, following the amortization of the loan to the United Nations for the construction of new office accommodation, anticipated for the end of 1994;

- Discontinuation of the provision for a loan to the United Nations;

- A request for funds ($250,000) for the establishment and implementation of a training and development programme for staff at all levels;

- A reduction under operating expenses for regional offices ($175,400) resulting from the move of the Regional Office for Latin America and the Caribbean to new premises;

- A reduction of $227,000 under consultants, as the hiring of management consultants to review the organization and management of UNEP is not foreseen for 1994-1995.

19. As concerns the financing of the 20 professional and 29 local-level posts previously approved by the Council under the PPSC supplementary programme in its decision 16/45, paragraph 11 (but which were not filled under the PPSC budget in the biennium 1992-1993 due to unavailability of funds), the Council is requested to reconfirm these posts for deployment in the biennium 1994-1995 under the same terms and conditions as before. The conditions are that they can only be utilized after the following allocations for Fund programme and Fund programme reserve activities have been made:

	Millions of dollars
Fund Programme activities	160.00
Fund programme reserve activities	5.00
Additional Fund programme activities	40.00
Total	205.00

/...

The amount required would be $4,207,500 and is being sought under a supplementary appropriation.

1. Proposed level of appropriation for the PPSC budget

20. On the basis of the changes outlined in paragraph 18 above, the appropriation proposed for the PPSC budget for the biennium 1994-1995 amounts to $43,612,300, representing an increase of $5,793,700 or 15.3 per cent above the proposed revised estimates totalling $37,818,600 for the biennium 1992-1993 (see Table 1). The breakdown of the increase by object of expenditure is given in Table 5. An analysis of real growth by programme is given in Table 6.

21. The additional requirements for 1994-1995 compared with 1992-1993 are set out in the tables annexed to the present report. Overall, these additional requirements may be regarded as comprising a net increase of $2,452,500 to meet the cost of maintaining the present level of activities in the biennium 1994-1995 at revised 1993 prices and exchange rates, a negative resource growth of $2,242,400 and an increase of $5,583,600 to cover anticipated inflation in 1994 and 1995.

22. In addition, and subject to the conditions proposed in paragraph 19 above, a supplementary appropriation of $4,207,500 is also requested.

2. Review of proposals by programme

(i) *Executive direction and management*

23. Executive direction and management comprises three programmes: Office of the Executive Director; regional representation; and management of the Fund. Under this heading comes the overall direction and management of the United Nations Environment Programme secretariat, taking into account the duties and responsibilities entrusted to the Executive Director by the General Assembly in its resolution 2997 (XXVII). The costs of these programmes are summarized in Table 4, while the existing and proposed staffing are given in Table 7.

Office of the Executive Director

24. The Office of the Executive Director is responsible for policy matters requiring the attention of the Executive Director and for ensuring a proper flow of information between the Executive Director and the various offices. The Deputy Executive Director is responsible for the supervision of the Information and Public Affairs Branch, the Conferences and Governing Council Service, the Clearing-house Unit, the Fund Management Branch and the Administrative Service. No additional resources are being requested.

Regional representation

25. This programme comprises that part of the activities that are not included in the regular budget and are carried out by the Regional Office for North America (RONA) in New York and the Regional Office for Europe (ROE) in Geneva, together with all activities of the other regional offices in Bangkok, Manama, Mexico City and Nairobi.

26. The regional offices represent UNEP and the Executive Director in their respective regions, foster and promote the goals and targets of UNEP and maintain liaison and cooperation with governmental authorities, public and private institutions and organized groups of individuals at all levels. The offices ensure coordination with the United Nations, including its regional commissions, on all matters of common interest.

27. A negative growth of $175,400 is foreseen under this programme, resulting from the move of the Regional Office for Latin America and the Caribbean to new premises.

Management of the Fund

28. The Fund management programme administers the Environment Fund and the various trust funds, which now number more than 40. The programme is financed entirely from the PFSC budget, although the office itself divides its time between administration and fund matters. No resource growth is foreseen for this programme.

(ii) *Programme of work: the Environment Programme*

29. The Environment Programme provides methodological guidance for environmental assessment and management, promotes cooperation among countries to alleviate common environmental problems and supports environmental education and training. Effective interlinkages are established between the various components of an integrated programme, aimed at ensuring that economic and social development based on the globe's natural resources, can take place on a sustainable basis.

30. The post of Assistant Executive Director, at the Assistant-Secretary-General level, which used to be financed from the regular budget of the United Nations, was abolished in the restructuring process undertaken by the Secretary-General in 1992. Responsibility for the Office of the Environment Programme is now shared between two Assistant Executive Directors at the D-2 level. One is responsible for Environmental Management, Institutions and Capacity-building; the other for Earthwatch Coordination and Environmental Assessment.

31. Environmental Management comprises the Desertification Control Programme Activity Centre (DC/PAC); the Industry and Environment PAC; the Oceans and Coastal Areas PAC; the Terrestrial Ecosystem Branch; and the Technology and Environment Branch. Institutions and Capacity-building covers the Environmental Law and Institutions PAC; the Environmental Education and Training Unit; the Environment and Economics Unit; and the Library.

32. Earthwatch Coordination and Environmental Assessment comprises four programme activity centres: the Global Environment Monitoring System (GEMS); the Global Resource Information Database (GRID); the International Register of Potentially Toxic Chemicals (IRPTC); and the International Environmental Information System (INFOTERRA). In addition, it includes the Unit for the State of the Environment, the Information Unit on Climate Change and the United Nations Centre for Urgent Environmental Assistance.

33. No resource growth is foreseen under the initial appropriation. However, under the supplementary appropriation a resource growth of $1,946,500 is foreseen for the nine Professional and ten local-level posts approved for 1992-1993 by the Council in its decision 16/45 paragraph 11 (a), provided that sufficient resources would be available to permit allocations of $185 million for Fund programme and Fund programme reserve activities. As sufficient resources did not become available, these posts were not established. The new posts comprise: one D-1 (environmental economics), five P-5 (atmosphere, soils, human health, energy and environmental economics), three P-4 (water, biodiversity and environmental training) and ten local-level posts.

(iii) *Programme support*

Conference services

34. The conference services programme is carried out by Conferences and Governing Council Service (CGCS), which reports to the Deputy Executive Director. Its functions are:

- To coordinate the provision of conference services to the secretariat;

- To exercise editorial control over UNEP documents and, to the extent that resources allow, provide conference services directly, including interpretation, translation and other documentation services, for UNEP conferences and meetings held at Nairobi and elsewhere;

- To ensure the reproduction and distribution of UNEP documents and publications.

35. No resource growth is foreseen under the initial appropriation. However, under the supplementary appropriation, a resource growth of $1,470,000 is proposed for seven Professional and 15 local-level posts. The Council, in its decision 16/45 paragraph 11 (b), had approved the transfer of these posts from Fund programme activities to the PPSC budget, provided that sufficient resources would be available to permit allocations of $185 million for Fund programme and Fund programme reserve activities. As sufficient resources did not become available, these posts were not transferred. The additional posts comprise: six P-4, one P-2 and 15 local-level posts.

Administrative service

36. In the purview of the administrative service are the functions of finance and budget, personnel, electronic data-processing and management information systems and management of general services.

37. Additional requirements amounting to $1,470,000 are foreseen under rental and maintenance of premises for the resumption of rent payments at Gigiri after the expiration of the rent remission period mutually agreed between UNEP and the United Nations. At the same time, no provision is required under new premises, as was the case in 1992-1993 for the loan to the United Nations for the construction of the premises - hence the proposed reduction of $3,490,000.

38. An amount of $250,000 is proposed for the establishment and implementation of a training and development programme for staff. This programme will aim at developing and enhancing leadership and management skills and enhancing the capacity of staff to perform their present functions, with a view to improving the quality of UNEP's products and services, managing programmes more efficiently and providing better administrative support.

39. An increase of $791,000 is proposed under the supplementary appropriation for four Professional and four local-level posts conditionally approved for 1992-1993 by the Council under the PPSC supplementary appropriation in its decision 16/45 paragraph 11 (c), but which were not filled in the biennium 1992-1993 due to unavailability of funds. The new posts comprise: one D-1, one P-4, two P-3 and four local-level posts to strengthen the electronic data-processing unit and management information systems unit.

Annex I

Table 1

Biennia 1992-1993 and 1994-1995 summary of PPSC Budget Appropriations

(thousands of US dollars)

A. PPSC: Revised estimates for 1992-1993

Appropriation	Estimated additional requirements				Total revised Appropriation 1992-1993
	Inflation	Exchange fluctuation	Other changes	Total	
38 730.1	**1 454.6**	**(4 548.7)**	**2 182.6**	**(911.5)**	**37 818.6**

B. PPSC: Proposed budget for 1994-1995

1992-1993 Revised Appropriation	Estimated additional requirements				Proposed 1994-1995 estimates
	Maintenance base[a]	Resource growth	Inflation in 1994 and 1995	Total	
37 818.6	**2 452.5**	**(2 242.4)**	**5 583.6**	**5 793.7**	**43 612.3**

a/ To maintain 1992-1993 programmes, all costed at revised 1993 prices.

/...

Table 2

Biennium 1992-1993: Revised estimates

Impact of factors leading to revised estimates by programme
(thousands of US dollars)

Programme	Appropriation 1992-1993	Rate of exchange	Unanticipated inflation	Other changes	Net increase (decrease) requirements	Revised appropriation 1992-1993
A. Executive Direction & Management:						
1. Office of the Executive Director	4 549.1	(344.3)	141.3	529.6	326.6	4 875.7
2. Regional representation	7 280.3	(183.1)	238.6	815.6	871.1	8 151.4
3. Management of the Fund	3 306.6	(357.5)	200.8	(172.3)	(329.0)	2 977.6
Subtotal, Exec. direction & management	**15 136.0**	**(884.9)**	**580.7**	**1 172.9**	**868.7**	**16 004.7**
B. Programme of work	**6 667.7**	**(692.4)**	**245.6**	**(142.3)**	**(589.1)**	**6 078.6**
C. Programme Support:						
1. Conference services	1 666.8	(184.4)	78.8	34.9	(70.7)	1 596.1
2. Administrative service	15 259.6	(2 787.0)	549.5	1 117.1	(1 120.4)	14 139.2
Subtotal, programme support	**16 926.4**	**(2 971.4)**	**628.3**	**1 152.0**	**(1 191.1)**	**15 735.3**
TOTAL	**38 730.1**	**(4 548.7)**	**1 454.6**	**2 182.6**	**(911.5)**	**37 818.6**

Table 3

Biennium 1992-1993: Revised estimates

Impact of factors leading to increases (decreases) by object of expenditure (thousands of US dollars)

Object of expenditure	Appropriation 1992-1993	Exchange rate fluctuations	Unanticipated inflation	Other changes	Net increase (decrease) in requirements	Revised Appropriation 1992-1993
Salaries						
010 Established posts	14 568.9	(1 292.6)	296.8	(101.5)	(1 097.3)	13 471.6
030 General temporary assistance	636.8	(179.0)	22.8	289.5	133.3	770.1
040 Consultants	1 548.7	(85.5)	-	312.4	226.9	1 775.6
050 Overtime	193.1	(70.7)	6.8	55.7	(8.2)	184.9
060 Ad Hoc expert groups	411.7	(22.7)	-	-	(22.7)	389.0
Subtotal salaries	**17 359.2**	**(1 650.5)**	**326.4**	**556.1**	**(768.0)**	**16 591.2**
Common staff costs						
100 Other common Staff Costs	7 289.8	(631.4)	752.5	(65.0)	56.1	7 345.9
113 Representation allowances	14.4	-	-	(4.2)	(4.2)	10.2
Subtotal common staff costs	**7 304.2**	**(631.4)**	**752.5**	**(69.2)**	**51.9**	**7 356.1**
240 Travel on official business	2 004.2	(89.5)	-	89.5	-	2 004.2
300 Contractual services	249.8	(75.3)	12.1	63.2	-	249.8
General operating expenses						
400 General operating expenses of liaison and regional offices	1 388.5	(34.5)	38.0	237.6	241.1	1 629.6
Nairobi headquarters:						
410 Rental and maintenance of premises	73.8	-	3.6	18.4	22.0	95.8
430 Rental and maintenance of equipment	1 074.6	(593.4)	52.1	165.4	(375.9)	698.7
440 Communications	1 775.5	(588.2)	86.0	431.2	(71.0)	1 704.5
450 Hospitality	13.1	(6.5)	0.6	5.9	-	13.1
490 Miscellaneous services	139.8	(46.3)	6.8	20.7	(18.8)	121.0
Subtotal general operating expenses	**4 465.3**	**(1 268.9)**	**187.1**	**879.2**	**(202.6)**	**4 262.7**
500 Supplies and Materials	1 539.5	(483.4)	73.0	410.3	(0.1)	1 539.4
600 Furniture and equipment	2 177.7	(349.7)	103.5	246.2	-	2 177.7
700 New premises (including additions)	3 492.0	-	-	7.3	7.3	3 499.3
800 Fellowships, grants and contributions	138.2	-	-	-	-	138.2
TOTAL	**38 730.1**	**(4 548.7)**	**1 454.6**	**2 182.6**	**(911.5)**	**37 818.6**

Table 4

Biennium 1994-1995: Proposed budget

Analysis of additional requirements by programme
(thousands of US dollars)

Programme	1992-1993 appropriation		Additional requirements for 1994-1995				Proposed 1994-1995 estimates
	Approved	Proposed revised	Maintenance base a/	Resource growth	Inflation in 1994 and 1995	Total	
A. Executive direction and management							
1. Office of the Executive Director	4 549.1	4 875.7	300.5	-	524.7	825.2	5 700.9
2. Regional representation	7 280.3	8 151.4	930.8	(175.4)	813.9	1 569.3	9 720.7
3. Management of the Fund	3 306.6	2 977.6	332.3	-	466.4	798.7	3 776.3
Subtotal, executive direction & management	**15 136.0**	**16 004.7**	**1 563.6**	**(175.4)**	**1 805.0**	**3 193.2**	**19 197.9**
B. Programme of work: Environment Programme	**6 667.7**	**6 078.6**	**549.0**	**-**	**912.6**	**1 461.6**	**7 540.2**
C. Programme support							
1. Conference services	1 666.8	1 596.1	(0.7)	-	240.3	239.6	1 835.7
2. Administrative service	15 259.6	14 139.2	340.6	(2 067.0)	2 625.7	899.3	15 038.5
Subtotal, programme support	**16 926.4**	**15 735.3**	**339.9**	**(2 067.0)**	**2 866.0**	**1 138.9**	**16 874.2**
TOTAL	**38 730.1**	**37 818.6**	**2 452.5**	**(2 242.4)**	**5 583.6**	**5 793.7**	**43 612.3**

a/ To maintain 1992-1993 programmes, all costed at revised 1993 prices.

Table 5

Biennium 1994-1995: Proposed Budget

Analysis of additional requirements by object of expenditure
(thousands of US dollars)

Object of expenditure	1992-1993 appropriation		Additional requirements for 1994-1995				Proposed 1994-1995 estimates
	Approved	Proposed revised	Maintenance base a/	Resource growth	Inflation in 1994 and 1995	Total	
Salaries							
010 Established posts	14 568.9	13 471.6	1 263.6		1 888.6	3 152.2	16 623.8
030 General temporary assistance	636.8	770.1	36.7	-	149.6	186.3	956.4
040 Consultants	1 548.7	1 775.6	23.4	(227.0)	88.3	(115.3)	1 660.3
050 Overtime	193.1	184.9	3.1	-	35.5	38.6	223.5
060 Ad Hoc expert groups	411.7	389.0	1.5	-	21.9	23.4	412.4
Subtotal, salaries	**17 359.2**	**16 591.2**	**1 328.3**	**(227.0)**	**2 183.9**	**3 285.2**	**19 876.4**
100 Common staff costs	7 304.2	7 356.1	928.3	-	1 090.9	2 019.2	9 375.3
240 Travel on official business	2 004.2	2 004.2	51.6	-	154.4	206.0	2 210.2
300 Contractual services	249.8	249.8	2.5	250.0	118.6	371.1	620.9
General operating expenses							
400 General operating expenses of regional offices	1 388.5	1 629.6	85.7	(175.4)	211.4	121.7	1 751.3
Nairobi headquarters:							
410 Rental and maintenance of premises	73.8	95.8	1.0	1 400.0	337.9	1 738.9	1 834.7
430 Rental and maintenance of equipment	1 074.6	698.7	4.3	-	166.1	170.4	869.1
440 Communications	1 775.5	1 704.5	15.0	-	406.2	421.2	2 125.7
450 Hospitality	13.1	13.1	0.1	-	3.1	3.2	16.3
490 Miscellaneous services	139.8	121.0	1.1	-	19.7	20.8	141.8
Subtotal, general operating expenses	**4 465.3**	**4 262.7**	**107.2**	**1 224.6**	**1 140.4**	**2 476.2**	**6 738.9**
500 Supplies and materials	1 539.5	1 539.4	19.2	-	354.0	373.2	1 912.6
600 Furniture and equipment	2 177.7	2 177.7	14.1	-	502.7	516.8	2 694.5
700 New premises (including additions)	3 492.0	3 499.3	0.1	(3 490.0)	1.8	(3 488.1)	11.2
800 Fellowships, grants and contributions	138.2	138.2	1.2	-	32.9	34.1	172.3
TOTAL	**38 730.1**	**37 818.6**	**2 452.5**	**(2 242.4)**	**5 583.6**	**5 793.7**	**43 612.3**

a/ To maintain 1992-1993 programmes, all costed at revised 1993 prices

Table 6

Biennium 1994-1995: Proposed budget

Analysis of real growth by programme

(thousands of US dollars)

Programme	(1) Revalued resource base a/	(2) Actual	(3) Growth percentage of (2) to (1)
A. Executive direction and management			
1 Office of the Executive Director	5 176.2	-	-
2 Regional representation	9 082.2	(175.4)	(1.9)
3 Management of the Fund	3 309.9	-	-
Subtotal, exec. direction & management	**17 568.3**	**(175.4)**	**(1.0)**
B. Programme of work	**6 627.6**	-	-
C. Programme Support			
1 Conference services	1 595.4	-	-
2 Administrative service	14 479.8	(2 067.0)	(14.3)
Subtotal, programme support	**16 075.2**	**(2 067.0)**	**(12.9)**
TOTAL	**40 271.1**	**(2 242.4)**	**(5.6)**

a/ Proposed revised 1992-1993 appropriation revalued at 1993 prices.

Table 7

Supplementary appropriation: 1994-1995
proposed PPSC post requirements by programme

	ASG	D-2	D-1	P-5	P-4	P-3	P-2/1	SUBTOTAL	LOCAL LEVEL	TOTAL
A. EXECUTIVE DIRECTION AND MANAGEMENT										
Current: 1992-1993	1	7	4	8	10	13	3	46	71	117
Proposed: 1994-1995	1	7	4	8	10	13	3	46	71	117
Increase/(Decrease)	-	-	-	-	-	-	-	-	-	-
B. PROGRAMME OF WORK (ENVIRONMENT PROGRAMME)										
Current: 1992-1993			4	8	4	10		26	26	52
Proposed: 1994-1995			5	13	7	10		35	36	71
Increase/(Decrease)			**1**	**5**	**3**	-		**9**	**10**	**19**
C. PROGRAMME SUPPORT										
1. Conference services					2	4	1	7	24	31
Current: 1992-1993	-	-	-	-	8	4	2	14	39	53
Proposed: 1994-1995	-	-	-	-	**6**	-	**1**	7	**15**	**22**
Increase/(Decrease)										
2. Administrative service				1	4	6	4	15	80	95
Current: 1992-1993	-	-	1	1	5	8	4	19	84	103
Proposed: 1994-1995	-	-	**1**	-	**1**	**2**	-	**4**	**4**	**8**
Increase/(Decrease)										
D. SUMMARY - ALL PROGRAMMES										
Current: 1992-1993	1	7	8	17	20	33	8	94	201	295
Proposed: 1994-1995	1	7	10	22	30	35	9	114	230	344
Increase/(Decrease)	-	-	**2**	**5**	**10**	**2**	**1**	**20**	**29**	**49**

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Annex II

RATES OF EXCHANGE, RATES OF INFLATION USED IN PREPARING THE ORIGINAL AND THE PROPOSED PROGRAMME AND PROGRAMME SUPPORT COSTS BUDGETS FOR THE BIENNIA 1992-1993 AND 1994-1995

Duty station (currency)	Rates of exchange to the dollar				Average annual rates of inflation			
	1992-1993 original assumptions	**1992-1993 revised appropriation**		1994-1995 initial estimates	1992-1993 original assumptions	**1992-1993 revised appropriation**		1994-1995 initial estimates
		1992a/	1993b/			1992c/	1993c/	
New York (United states dollars)						3.7%	3.7%	3.7%
Geneva (Swiss francs)	1.30	1.40	1.44	1.44	2.9%	4.0%	3.4%	3.4%
Bangkok (baht)	25.80	25.38	25.30	25.30	6.1%	4.0%	5.0%	5.0%
Mexico City (Mexican pesos)	2 828.00	3 080.00	3 100.00	3 100.00	5.3%	17.1%	17.1%	17.1%
Nairobi (Kenyan shillings)	23.00	31.63	35.70	35.70	10.0%	15.6%	15.0%	15.0%
Bahrain (Bahrain dinars)	0.376	0.376	0.376	0.376	8.6%	9.9%	9.9%	9.9%

a/ January - December 1992 average.

b/ Actual December 1992 operational rates of exchange.

c/ Applicable to objects of expenditure other than salaries of established posts and common staff costs.

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ITEM 8:* THE ENVIRONMENT FUND, OTHER FINANCIAL MATTERS AND ADMINISTRATION

PROGRAMME AND PROGRAMME SUPPORT COSTS OF THE ENVIRONMENT FUND: PERFORMANCE REPORT AND PROPOSED REVISED BUDGET FOR THE BIENNIUM 1992-1993 AND PROPOSED BUDGET FOR THE BIENNIUM 1994-1995

Report of the Executive Director

Addendum

PROVISION OF LANGUAGE FACILITIES TO THE COMMITTEE OF PERMANENT REPRESENTATIVES

Summary

The present report describes developments that have occurred since the sixteenth session of the Governing Council concerning the provision of language facilities for meetings of the Committee of Permanent Representatives to UNEP. It outlines the implications of General Assembly resolution 46/185 C, section XI, paragraph 2, in which the General Assembly took note of the Secretary-General's proposal on sharing the financing of the meetings of the Committee of Permanent Representatives, and sets out the views of the Executive Director thereon.

Suggested action by the Governing Council

The Council may wish to note that costs incurred for interpretation facilities for the Committee of Permanent Representatives in 1992 and in the first part of 1993 have been borne by the United Nations regular budget; express the view that services supporting the Governing Council of UNEP as a subsidiary organ of the General Assembly, should be financed from the resources of the regular budget; request the Secretary-General to review his proposals regarding financing the costs of the Committee of Permanent Representatives, with a view to having such costs borne entirely by the regular budget.

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* Refers to the number of the item on the Provisional Agenda (UNEP/GC.17/1).

PROVISION OF LANGUAGE FACILITIES TO THE COMMITTEE OF PERMANENT REPRESENTATIVES

1. The Governing Council in its decision 15/12 of 25 May 1989, recognized the requirements for full language services for meetings of the Committee of Permanent Representatives and agreed to meet them as soon as funding for the costs of those services could be provided from the regular budget of the United Nations. In submitting proposals to the Secretary-General for the regular budget for 1992-1993 in respect of UNEP, the Executive Director included provision for full language services for the Committee of Permanent Representatives. Those were not, however, retained by the Secretary-General in his proposed programme budget for 1992-1993.

2. Following its review of the United Nations proposed programme budget for 1992-1993, the Committee for Programme and Coordination requested the Secretary-General to submit to the General Assembly a report on the overall issue of conference servicing relating to meetings of United Nations intergovernmental bodies convened at Nairobi and recommended that the General Assembly consider the practice of including the costs of such servicing under section 17 (UNEP) of the programme budget.

3. In his report to the General Assembly,(1) the Secretary-General pointed out that roughly 25 per cent of the permanent conference-servicing establishment of UNEP is charged against the regular budget. It was proposed that 25 per cent of the costs for providing full language services to the Committee of Permanent Representatives be included under the United Nations regular budget. The Secretary-General went on to state that the General Assembly might wish to request the Governing Council of UNEP to authorize the financing of the balance from the Environment Fund.

4. The Advisory Committee on Administrative and Budgetary Questions (ACABQ), following its review of the Secretary-General's report, informed the General Assembly that it did not object to the financing of 25 per cent of the requirements of the Committee of Permanent Representatives from the regular budget. The General Assembly, by its resolution 46/185 C, section XI, of 20 December 1991, took note of the report of the Secretary-General and endorsed the recommendation of the ACABQ.

5. When apprised of the resolution of the General Assembly, the Executive Director informed the Secretary-General that, pending consideration of the question by the Governing Council at its seventeenth session in 1993, resources from the Environment Fund could not be made available for the provision of language services to the Committee of Permanent Representatives. Agreement was subsequently reached that the costs of interpretation for the Committee of Permanent Representatives for 1992 and for the first half of 1993 (i.e. before the seventeenth session of the Governing Council) would be borne by the regular budget and that the matter would be presented to the Governing Council at its seventeenth session.

6. Three meetings of the Committee of Permanent Representatives with full interpretation were held in 1992, and two are planned for the first part of 1993 - all to be financed by the regular budget. The total estimated costs for those five meetings are $366,000 or an average of $73,200 per meeting. On the assumption that eight meetings would be held in 1994-1995, it is estimated that the meetings in 1994-1995 would cost $645,000, allowing for inflation.

7. If the proposal of the Secretary-General, which the General Assembly took note of in its resolution 46/185 C, were to be accepted by the Governing Council, the Environment Fund would have to provide for 75 per cent of the costs of providing full language services to the Committee of Permanent Representatives. These costs would apply to the two meetings scheduled to take place in 1993 after the seventeenth session of the Governing Council and the eight meetings foreseen for 1994-1995. The total costs for the two meetings in 1993 are estimated at $150,000 and the costs of eight meetings in 1994-1995 are estimated at $645,000. The share to be borne by UNEP would then be $113,300 in 1993 and $483,800 in 1994-1995. No provision currently exists for this in the Programme and Programme Support Costs budget 1992-1993. Nor has any provision been made in the proposed 1994-1995 budget. If the Governing Council were to decide to finance the meetings of the Committee of Permanent Representatives from the Environment Fund, the sums in question would have to be added to the revised estimates for 1992-1993 and to the proposed budget for 1994-1995, respectively.

8. As stated in paragraph 1 above, the Governing Council decided that full language services for meetings of the Committee of Permanent Representatives should be provided as soon as funding for the costs of those services could be provided from the regular budget of the United Nations. In the view of the Executive Director, this is consistent with General Assembly resolution 2297 (XXVII) of 15 December 1972, the resolution founding UNEP, which provides that the costs of servicing of the Governing Council shall be borne by the regular budget. It follows that the costs of servicing the Committee of Permanent Representatives, a subsidiary body of the Governing Council, should also be borne entirely by the regular budget. It is the understanding of the Executive Director that the cost of providing conference services to the governing bodies of the United Nations Development Programme and the United Nations Childrens Fund, programmes that are funded entirely on a voluntary basis, are borne by the regular budget of the United Nations. Services supporting the Governing Council of UNEP as a subsidiary organ of the General Assembly should also come from the resources of the regular budget. The Governing Council might, therefore, wish to request the Secretary-General to review his proposals regarding the financing of the costs of the Committee of Permanent Representatives, with a view to having such costs borne entirely by the regular budget.

Note

1. A/C.5/46/29.